DOCUMENT RESUME

ED 444 699 PS 028 772

AUTHOR	Blank, Helen; Poersch, Nicole Oxendine
TITLE	State Developments in Child Care and Early Education, 1999.
INSTITUTION	Children's Defense Fund, Washington, DC.
SPONS AGENCY	Annie E. Casey Foundation, Baltimore, MD.; Booth Ferris Foundation, New York, NY.; Mott (C.S.) Foundation, Flint, MI.; Citigroup Foundation, New York, NY.; Prudential Foundation, Newark, NJ.; Ford Foundation, New York, NY.
PUB DATE	2000-02-00
NOTE	114p.; For 1999 report, see ED 428 862.
PUB TYPE	Reports - Research (143)
EDRS PRICE	EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Administration; Compensation (Remuneration); Cooperation; *Day Care; Elementary Education; Financial Support; Infant Care; National Surveys; Preschool Education; School Age Day Care; *State Action; State Programs; State Regulation; State Standards; Tax Credits; Young Children
IDENTIFIERS	Availability (Programs and Services); Caregiver Training; Child Care Costs; *Day Care Quality; Day Care Regulations

ABSTRACT

This report provides highlights and updates regarding state actions on child care and early education issues during 1999. It is intended to serve as a supplement to "State Child Care and Early Education Development: Highlights and Updates for 1998" and "State Developments in Child Care and Early Education 1997." The information in the report was collected by means of written and phone surveys with advocates in each state. The final draft was reviewed for verification by advocates and state child care administrators in each state. Following an introduction summarizing some of the findings, the report provides information in the following areas for each state: (1) overall funding levels; (2) subsidy eligibility; (3) subsidy co-payments; (4) subsidy reimbursement rates; (5) tax credits; (6) general quality and supply; (7) training and compensation; (8) infant and toddler care; (9) school-age care; (10) odd hour care; (11) licensing provisions; (12) Head Start, prekindergarten, and collaboration; (13) expanding local planning efforts; (14) promoting business involvement; and (15) changes in child care administration. (KB)

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STATE DEVELOPMENTS

IN CHILD CARE AND EARLY EDUCATION

1999

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ABOUT THIS REPORT

This report provides highlights and updates regarding state actions on child care and early education issues during 1999. It is intended to serve as a supplement to *State Child Care and Early Education Developments: Highlights and Updates for 1998* and *State Developments in Child Care and Early Education 1997*.

In this edition, we have included (when possible) a comparable state-by-state snapshot of state policies, in particular areas. The data in these tables are correct as of June 1, 1999. Subsequent changes in state policies may be reflected in the text.

The information in this report was collected through written and phone surveys with advocates in each state. The final draft was reviewed for verification by advocates and state child care administrators in each state.

We are grateful to the individuals who helped on this project. First and foremost, we thank those in each state who took the time and effort to provide and verify the information that makes the report possible. In addition, special thanks are due to the CDF staff members and interns who worked extensively on this project, particularly Andrea Behr, as well as Danielle Ewen, Karen Schulman, Delanee Wijesekera, Laura Graves, Brooke Morrill, and Elizabeth Haley.

CDF's work on this study is supported by the Annie E. Casey Foundation, the Booth Ferris Foundation, the Charles Stewart Mott Foundation, the Citigroup Foundation, the Ford Foundation, and the Prudential Foundation.

INTRODUCTION

In 1999, states took advantage of the availability of TANF funds and state surpluses to make new investments in child care, early education, and school-age care. Surprisingly, despite the large amount of tobacco settlement funds, only two states earmarked tobacco funds for investments in early childhood development. On the whole, there were positive developments in many states. The most striking policy development was the significant number of states that raised their reimbursement rates. The magnitude of change needed, however, is highlighted this year as well. Despite much positive activity in states, current state policies and investments still fall tremendously short.

A look at current state policies shows that:

- Only five states set their income eligibility guidelines at the maximum level allowable under federal law—85 percent of their state median income. In three states—**Alabama, Missouri,** and **South Carolina**—a family of three earning $18,000 (130 percent of poverty) could not qualify for help.
- Only one in 10 children whose families are eligible for child care assistance under the federal Child Care and Development Block Grant receive help according to a study released this fall by the U.S. Department of Health and Human Services.
- Nearly one-third of states are paying rates based on out-of-date market rate surveys.[1]
- Only 10 states meet national recommendations for child-staff ratios in their licensing requirements and only 10 states require *all* family child care providers to meet any regulations.

- Less than half of the states (20) require teachers in child care centers to have any training in early child development before working with children. Only eleven states require family child care providers to have such training.
- Only seven states have a child care tax credit that is refundable, and therefore accessible to low-income families.

Some States Take Promising Action

While there is clearly continued need for dramatic improvements in state policy, some states did make notable progress in 1999. None of these states has yet implemented a complete package of optimal policies, but all took important steps forward.

Delaware

This small state increased funding for child care by $2 million. The funds will be used to:

- Expand eligibility for child care assistance to families earning up to 200 percent of the federal poverty level—an increase from the previous level of 150 percent
- Raise its provider reimbursement rates high enough to cover the cost charged by 75 percent of the child care providers in a parent's community and increase the number of days for which providers can be reimbursed if children are absent
- Allow all four-year-old children in poverty to participate in either federally funded Head Start programs or the state-funded prekindergarten initiative, which requires programs to meet Head Start's comprehensive standards.

In addition, more than 50 state agency representatives and private sector leaders, including leaders in the business community, joined together to draft a blueprint for developing a strong statewide system of early care and education.

Florida

In 1999, the state enacted School Readiness legislation emphasizing local collaboration and greater coordination of resources at the state and local level. Local coalitions will assess their communities' needs. They will then develop plans for using various sources of funding—including Prekindergarten Early Intervention, Head Start, public and private child care programs, school

initiatives serving disabled and special needs children, programs for migrant children, Title I, child care subsidies, and teen parent programs—to ensure that children enter school ready to learn. The plan must be approved by the Florida Partnership on School Readiness, which is overseeing the initiative, and include choices for parents, a uniform sliding fee scale for all programs, performance outcome standards, and an effort to provide full-day, full-year care to the greatest extent possible. However, the state did not provide additional funds to help fill any gaps which may be identified through the local needs assessments.

Local coalitions can request that the state waive any rules governing individual programs, such as the state's prekindergarten initiative or the child care assistance program, if they believe it is necessary to properly implement the community's school readiness plan. Coalitions approved by January 1, 2000 are eligible for a $50,000 initiation grant to assist with local planning efforts, and those approved by March 1, 2000 are eligible for a $25,000 initiation grant. By February 1, 2000, the state-level Partnership must make recommendations about how to combine various funding sources into a single School Readiness Trust Fund. By July 1, 2000, the Partnership must develop a system for assessing the effectiveness of school readiness programs in preparing children for school.

Illinois

The state built on its previous efforts by increasing state funding for child care by $84 million, earmarking $148.2 million of TANF funds for child care assistance and increasing funding for its prekindergarten program by 12 percent.

Maine

Comprehensive child care legislation was enacted which more than doubled the state investment, bringing it to $11 million over two years, with funds for the second year coming from the tobacco settlement. The funds will be used to support a variety of activities:

- In the first year, the state plans to support one-time-only quality and facility grants, an ongoing revolving loan fund, and a tuition assistance program for child care providers.
- In the second year, there will be new funds for child care subsidies, some of which will be used to extend the hours of Head Start programs, and to raise child care reimbursement levels above the market rate to stimulate the development of child care in underserved areas.

- The state will also begin a pilot program to provide after-school care for children ages 13 to 15 at 11 regional sites, support ongoing quality assurance activities, expand funding for its regional resource and referral network, and increase the number of licensing staff for inspecting programs.
- Maine will implement a plan to take its Healthy Families project statewide. This project supports visits to families with newborns, at the family's request, giving an opportunity to assess and address the needs of new parents.

Additional legislation enacted to expand and improve child care tax credits encourages parents and the private sector to support quality child care. The state's current child care tax credit is doubled for parents whose children are enrolled in an accredited program. Furthermore, the employer tax credit is doubled for employers who create an accredited program or finance institutions that invest in "quality" child care projects. In order to qualify for other state tax credits, businesses are required to demonstrate that they are addressing the child care needs of their workers. The businesses are allowed to use the savings from tax breaks for child care facilities and other child care costs. Finally, the state plans to convene the Business Advisory Commission on Quality Child Care, which will review the need for more legislation to further encourage the business community to invest in child care.

New York

In 1999, the state approved an 82 percent increase in Child Care Development Block Grant funding—the largest increase in the state's history. Steps taken by the state to improve child care and early education included:

- Transferring $120 million from the Temporary Assistance for Needy Families (TANF) block grant to the Child Care and Development Block Grant, which will provide child care assistance for at least 13,000 more children and help to increase reimbursement rates for providers
- Increasing state funding for child care and early education by another $60 million to support several efforts, including $15 million for child care capital projects, a $33 million increase for the state's prekindergarten program, $2.4 million for campus-based child care, and a $9.5 million increase for after-school programs
- Earmarking an additional $42 million in TANF funds to expand child care assistance, develop odd-hour care (important since many parents leave welfare to take jobs requiring work on evenings and weekends), expand resource and referral services, support professional development

for child care staff and family child care networks, and create an intergenerational child care demonstration project

- Establishing a child care reserve fund, using $200 million in TANF funds to be spent over three years ($175 million for child care assistance, if needed, and $25 million for activities to improve the quality of child care).

In addition, working families with children under age 13 who would be eligible for family assistance or TANF will now have the choice of receiving just child care assistance without having to turn to welfare. They will continue to be guaranteed eligibility for transitional child care assistance after their TANF eligibility expires.

North Carolina

Understanding that the quality of children's early learning experiences is inextricably linked to the quality of the staff who care for them, North Carolina moved in a comprehensive fashion to address caregiver compensation. The state enacted NC Cares, a program that will offer wage supplements and health benefits to caregivers in the following ways:

- The Child Care WAGE$™ Project supplements the salaries of child care center providers, directors, and family child care providers by rewarding those who have completed appropriate coursework in early childhood education. The size of the supplement depends on the amount of education received, and ranges from $200 to $3,000 per year. For example, a child care provider with a bachelor's degree can receive a bonus of $1,500 every six months.

- The T.E.A.C.H. Early Childhood® Health Insurance Program helps fund the cost of health benefits for individuals working in child care programs that are committed to supporting the education and compensation of their staff. Any child care program that has a sufficient number of staff members participating in the T.E.A.C.H. Early Childhood Associate, Bachelor or Model/Mentor Teacher Scholarship Program is eligible to participate. The state will reimburse child care providers up to one-third of the cost of individual health insurance coverage if they meet the conditions of the program. Child care centers must agree to cover another one-third of the cost of coverage for each eligible employee. The remaining one-third of the premiums can be paid by employees but child care programs are free to pick up this cost as well.

North Carolina also expanded funds for its model Smart Start program by $58 million, bringing total direct funding to $208 million in FY 1999–2000 and $239 million in FY 2000–2001. Smart Start, launched in 1993, is a comprehensive public/private initiative to help children enter school healthy and ready to succeed. The initiative provides funding for child care subsidies, prekindergarten, parent and health education, and early intervention and preventive health screenings. Local planning teams make decisions about how to use their Smart Start funds. The initiative is now operating in all 100 of the state's counties.

South Carolina

The state approved a $20 million First Steps to School Readiness program which charges local communities with the responsibility for conducting a comprehensive assessment of their needs and resources. They are then expected to develop a collaborative plan to promote school readiness, which focuses on high quality child care, health and preventive care, family support services, parent education and training, and early education.

Wisconsin

In 1999, the state passed a biennial budget that more than doubled outlays for child care quality efforts, reduced parent co-payments, and broadened family eligibility for subsidies. The state increased its quality budget to $53 million over the biennium (up from a $22 million base). New initiatives include:

- a $15 million Early Childhood Excellence Initiative, which establishes state-of-the art early learning centers in low-income neighborhoods
- a $10 million expansion of Head Start
- child care grants totaling $4 million
- a 25 percent increase in funding for child care resource and referral
- a $1.2 million Safe Child Care program for child care providers exempt from licensing who serve children receiving assistance.

In addition, co-payments were reduced, with no family required to pay more than 12 percent of income, and co-payments for part-time care were cut in half. Initial eligibility for child care assistance was increased from 165 percent to 185 percent of the federal poverty level. Wisconsin working families are now eligible for child care subsidies and for full family health coverage if their income is below 185 percent of poverty, with continuing coverage up

to 200 percent. The state will also disregard child support as income. In other steps, Wisconsin eliminated an asset test for child care assistance and broadened eligibility for parents in education and training.

Studies Show That Progress Must Continue

This year, several important new studies once again confirmed that quality child care makes a difference for all children, especially our poorest children. *The Children of the Cost, Quality, and Outcomes Study Go to School* tracked children's progress from age three through second grade and found that children in high quality care demonstrated greater mathematical ability, greater thinking and attention skills, and fewer behavioral problems than their peers with lower quality child care experiences.[2] These differences held true for children from a range of family backgrounds, with particularly significant effects for children at risk of school failure.

Similarly, the latest National Institute of Child Health and Development of Children long-term study shows that children's learning abilities are affected by the quality of care they receive. The study found that children who had attended high quality programs were more likely to perform above average. Children in high quality care also scored higher in their ability to express and understand language.[3]

In addition, the most recent results of the Abecedarian Project show that children who received comprehensive, quality early education intervention had higher scores on cognitive, reading, and math tests than a comparison group of children who did not receive this intervention. The findings also demonstrate that these effects persisted through age 21. Those who participated in the early education program were more likely to attend a four-year college and to delay parenthood. A positive impact on mothers is shown as well. Mothers whose children participated in the program achieved higher educational and employment status, with particularly strong results for teen mothers.[4]

New research also indicated the strong benefits of quality care for school-age children. A three-year study by Vandell and Pierce of four after-school programs in high crime neighborhoods found that children in these programs had fewer school absences, better conflict management strategies, and better work habits at school than did their school classmates who lived in the same neighborhood but did not attend the programs.[5]

Parents Struggle to Provide the Best for their Children

This year, research also detailed the sacrifices that parents must make when they do not receive any help in paying for child care. Two counties conducted studies of eligible families on waiting lists for child care assistance, highlighting the financial hardships low-income families face. In Santa Clara County, California, one-third of parents interviewed earned less than $10,000 annually. Yet, employed parents were spending, on average, about $300 a month on child care.[6] In Ramsey County, Minnesota, one-third of the families on the waiting list were in debt, and many said they were struggling to meet basic needs such as rent, food, and clothing. Twenty-two percent had housing problems in the preceding year.[7]

Clearly, the ability to afford quality child care is nowhere near their reach without assistance. In Santa Clara County, 42 percent of parents cited shortcomings in the quality of care their children receive, and almost one-half report that their child only receives individual attention sporadically. In Ramsey County, one-half of the families would change their child care arrangements if they could receive assistance.

Given the evidence demonstrating the importance of affordable quality child care, it is essential for states to continue their efforts to address the significant gaps that remain in the availability and affordability of quality care.

OVERALL FUNDING

The amount a state invests in child care is one of the most fundamental determinants of the quality and quantity of child care assistance. Inadequate resources result in policies that limit help for families in a myriad of ways. Funding levels directly affect the number of families who can get help paying for child care, the amount that they have to pay, and their ability to choose good quality care for their children.

In 1999, overall funding continued to increase, fueled largely by state's investment of TANF block grant funds for child care, a modest increase in federal CCDBG mandatory funding (and corresponding state matching funds), and significant increases in state general revenue funds in more than one-quarter of the states.

Increases in state general revenue funding for child care and early education were made in at least 17 states, including **Alabama, California, Delaware, Florida, Georgia, Illinois, Maine, Massachusetts, Michigan, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, Vermont,** and **Washington**.[8] In addition, one state—**Maryland**—enacted a new child care tax credit for parents.

States' allocation of TANF block grant funds for child care has also financed significant improvements this year. It is important to note, however, that if TANF funds supplant state general revenue investments in child care and early education, the resulting erosion of a state's commitment to child care may decrease the availability of resources over the long term.

While overall funding levels for child care and early education have been steadily growing, funding remains inadequate in almost all states. No state has provided sufficient funding to support quality care and parent/child-friendly policies for all low-income families.

New State Action 1999: State-by-State Details

Alabama has allocated $100 million of its Tobacco Fund for children, a portion of which will be used for child care. Voters turned down a ballot initiative that would have established a state lottery to fund a variety of education programs, including a universal prekindergarten program.

Alaska reduced state funding for child care by $7 million, transferred $10.2 from the TANF block grant to the CCDBG, and earmarked $11.3 million of the TANF block grant for child care.

Arizona maintained state child care funding, transferred $34.8 million of the TANF block grant to the CCDBG, and earmarked $26.6 million of the TANF block grant for child care.

Arkansas earmarked $5 million in TANF funding for child care subsidies and quality improvement activities as well as additional TANF funds to support after-school activities. In addition, the state entered into a collaborative agreement with the Department of Education to set aside a portion of education funds for after-school activities.

California increased state funding for child care by $26.1 million (from $793.6 million to $819.7 million) and transferred $257.3 million from the TANF block grant to the CCDBG. In addition, the implementation of Prop 10 (a ballot initiative that reserved funds for early childhood through a tobacco tax) will provide $700 million for broad early childhood investments, including child care. However, funding was reduced for certain child care assistance through the state's welfare-to-work program. This will result in inadequate funds to help families losing eligibility for welfare-related child care assistance after January 1, 2000.

Delaware increased state funding for child care by $2.1 million to support an increase in child care assistance eligibility levels from 155 percent to 200 percent of the federal poverty level.

The District of Columbia transferred $29.5 million ($18.5 million from FY 1999 and $11 million from FY 1998) from the TANF block grant to the CCDBG.

Florida increased state funding by $37 million for child care, including $32 million to expand its program for low-income working families, and $5 million for quality improvements.

Georgia increased state funding for prekindergarten by $7 million and transferred $30 million from the TANF block grant to the CCDBG.

Hawaii transferred $10 million from the TANF block grant to the CCDBG. A portion of the state tobacco settlement funds will be used to match federal funding for the Children's Health Insurance Program and some funds may be used for child development activities.

Idaho transferred $1.5 million from the TANF block grant to support a state grant for Head Start and transferred an additional $1.5 million for programs for the healthy development of young children. In addition, the state transferred $4.2 million from the TANF block grant to the CCDBG and estimates transferring $7.7 million in FY 2000.

Illinois increased state funding for child care by $84 million, earmarked $148.2 million in the TANF block grant for the state child care assistance program, and increased funding for prekindergarten by 12 percent.

Indiana transferred $56 million from the TANF block grant to the CCDBG and earmarked $82 million ($41 million each year for two years) in the TANF block grant for child care.

Iowa transferred $10.5 million from the TANF block grant to the CCDBG in addition to earmarking a portion of the block grant for child care.

Kansas transferred $8 million from the TANF block grant to the CCDBG. Transferred funds were used to support investments in child care assistance, Early Head Start, Head Start, and infant/toddler specialists for each child care resource and referral agency.

Kentucky transferred funds from the TANF block grant to the CCDBG. Since April 1999, the state has collected approximately $7,000 through the new state Child Care Fund that was created in 1998. The Fund raises revenue from voluntary contributions that can be made when vehicle license tags are renewed. Once the balance grows, these funds will help to pay for child care assistance for those families not eligible for the state's primary child care assistance program.

Louisiana transferred $50.4 million from the TANF block grant to the CCDBG to expand child care assistance and increase reimbursement rates.

Maine more than doubled state child care funding, increasing spending by more than $9 million over two years ($1.5 million one-time funding in the first year and $7.6 million ongoing funding beginning the second year) and continuing to transfer approximately $6 million from the TANF block grant to the CCDBG. The state will support the spending increase in the second year with tobacco settlement funds. The legislative package also included a wide range of innovative initiatives to develop public/private partnerships to support quality child care in the state.

Maryland transferred $45.8 million from the TANF block grant to the CCDBG, which will allow eligibility for child care assistance to be increased from 40 percent to 45 percent of the state median income. The state also implemented a new child care tax credit, estimated to cost $19 million.

Massachusetts transferred $91 million from the TANF block grant to the CCDBG, earmarked $45 million from the TANF block grant for child care, and provided an additional $21 million for child care for low-income families and $2.2 million for children with active abuse and neglect cases.

Michigan increased funding for prekindergarten by $5 million in order to expand full-day services. TANF funds were used to support child care directly, and additional TANF dollars were transferred to the CCDBG.

Minnesota transferred $80 million from the TANF block grant to the CCDBG, which was offset by a reduction in state funds of $57.5 million.

Mississippi transferred $23.9 million from the TANF block grant to the CCDBG to expand child care assistance, increase reimbursement rates, and pay one-time registration fees.

Missouri transferred $16 million from the TANF block grant to the CCDBG.

Montana transferred $12 million from the TANF 1998 reserve fund to the CCDBG and granted legislative authority to transfer an additional $5 million annually from current-year TANF block grant funds.

Nebraska increased state revenue devoted to child care from $13.3 million in FY 1998 to $22.4 million in FY 1999.

New Jersey transferred $100 million from the TANF block grant to the CCDBG. The state will use a portion of these funds (approximately $33 million annually for each of the next three years) to help eliminate the waiting list for the state's child care voucher payment program and provide working families whose TANF Transitional Child Care (TCC) benefits have expired with continued child care help through its "At-Risk" Child Care Program.

New Mexico increased state funding for its state Head Start program by $1 million (bringing the total to $6 million) and transferred $23.6 million from the TANF block grant to the CCDBG, including $3.5 million for increased reimbursement rates.

New York approved an 82 percent increase in its CCDBG funding. This increase includes a transfer $120 million from the TANF block grant to the CCDBG to provide child care assistance for at least 13,000 more children and to help increase reimbursement rates for providers. In addition, the state earmarked $42 million of the TANF block grant to expand child care assistance, develop odd-hour care, expand resource and referral services, support professional development for child care staff and family child care networks, and create an intergenerational child care demonstration project. The state also set aside $200 million of the TANF block grant for the Child Care Reserve Fund ($175 million for child care assistance, if needed, and $25 million for activities to improve the quality of child care to be spent over three years). State funding for child care and early education increased by $60 million to fund a variety of efforts, including $15 million for child care capital projects, a $33 million increase in the state's prekindergarten program which was put in place in 1997, $2.2 million for campus-based child care, and a $9.5 million increase for two after-school programs.

North Carolina increased state funding for child care by $74.5 million. Smart Start's direct services budget was expanded by $58 million (which will be annualized). The funding increases will bring total Smart Start direct services funding levels to $208.4 in SFY 1999–2000 and $229.3 in SFY 2000–2001. The state also appropriated $1.5 million for collaboration and increased funding for evaluation by $165,000, bringing total evaluation dollars for Smart Start to $1 million. In addition, North Carolina transferred $64.2 million from the TANF block grant to the CCDBG. The transferred funding included $51.7 million for child care assistance for former Work First recipients and other low-income working families and $12.5 million to increase child care reimbursement rates. In addition, $15 million of the TANF block grant was earmarked for child care. The state added $3.3 million to help fund its market rate increase. It also added $780,000

for various education/compensation programs under the umbrella of Teacher Education and Compensation Helps (T.E.A.C.H.). With this increase, total state funding for T.E.A.C.H. will be $2.2 million. Additional federal funds were also allocated to expand T.E.A.C.H. programs that offer health insurance and wage supplements to child care staff.

North Dakota transferred $2 million from the TANF block grant to the CCDBG and $500,000 over the biennium for extended-day Head Start.

Oklahoma doubled spending on its state prekindergarten program, increasing funds to $36.5 million, transferred $29.5 million from the TANF block grant to the CCDBG, and earmarked $14.5 million in the TANF block grant for child care.

Oregon transferred $1.1 million from the TANF block grant to the CCDBG and $6.3 million from the Title XX Social Services Block Grant to its Employment Related Day Care Program (ERDC). The state also earmarked a portion of TANF funds to provide child care help for working cash assistance clients and clients in the JOBS program.

Pennsylvania decreased state funding by $1.8 million and transferred $33 million from the TANF block grant for child care.

Rhode Island increased state funding for its Starting RIght initiative by $7 million and transferred $14.5 million from the TANF block grant to the Starting RIght initiative.

South Carolina transferred $4.8 million from the TANF block grant to the CCDBG.

South Dakota transferred $1.6 million from the TANF block grant to the CCDBG to help support child care assistance and out-of-school-time programs.

Tennessee transferred $63.8 million (30 percent, the maximum allowable amount) from the TANF block grant to the CCDBG to expand child care assistance and increase reimbursement rates.

Texas transferred $55.7 million of the TANF block grant to the CCDBG.

Utah earmarked $3.5 million in the TANF block grant for child care.

Vermont increased state funding to support an increase in child care assistance rates, a restructuring of its fee scale, new licensors, and training and quality measures.

Virginia earmarked $17 million in the TANF block grant for child care, but did not allocate sufficient funds to draw down all available federal CCDBG funding.

Washington increased state funding by $138,000 for the Early Childhood Education and Assistance Program (ECEAP), the state's prekindergarten program, to keep pace with inflation. The state also transferred approximately $62 million from the TANF block grant to the CCDBG. Over $2 million in new quality dollars (from the transfer) was dedicated to local quality enhancement projects.

West Virginia transferred $10 million from the TANF block grant to the CCDBG and earmarked an additional $22 million of the TANF block grant for child care.

Wisconsin authorized the transfer of $64 million from the TANF block grant to the CCDBG as well as an earmark of $52 million in the TANF block grant for child care.

Wyoming transferred $12.2 million from the TANF block grant to the CCDBG.

SUBSIDY ELIGIBILITY

State child care assistance programs play a vital role in helping low-income families work. While working families struggle to meet the cost of safe and reliable child care arrangements for their children, many states continue to restrict access to programs that offer help in paying for child care. Low income guidelines may allow the state to target their resources on the poorest families. However, they can force families earning relatively low wages to lose child care assistance and leave others with no child care help at all. With the implementation of the 1996 Welfare Reform Act, which imposes a five-year time limit on welfare benefits, the lack of child care help can have even more severe consequences for families. In the absence of an income safety net for families with young children, it is increasingly important that families receive child care assistance until their incomes are truly stable. Low eligibility guidelines may pull the rug out from under vulnerable families who need reliable child care to get and keep their jobs.

It is also important to note that being eligible for child care assistance does not necessarily mean that a family actually receives help. Many eligible families do not receive any help due to insufficient state investments, inadequate outreach, and cumbersome application procedures. Without adequate investments and good policies, expanding eligibility may not result in more families getting the help they need. In many states, eligible families continue to be turned away or placed on waiting lists. For example, in California it is estimated that 200,000 families are on a waiting list for child care assistance, while more than 7,000 families wait for child care assistance in Minnesota.

In 1999, 18 states raised income eligibility guidelines for child care assistance, including **Delaware, Florida, Georgia, Illinois, Kentucky, Maryland, Mississippi, New Hampshire, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Texas, Washington, West Virginia,** and **Wisconsin**. In addition, several states amended categorical eligibility guidelines to improve access to assistance.

Despite this recent activity, as of June 1, 1999, only four states set their eligibility guidelines at the maximum allowable under federal law—85 percent of their state median income. Information regarding state activity *after* June 1, 1999 indicates that only one additional state (**Oklahoma**) raised eligibility to the federal maximum. In three states—**Alabama**, **Missouri**, and **South Carolina**—a family of three earning $18,000 (130 percent of poverty) or more could not qualify for help.

NEW STATE ACTION 1999: STATE BY STATE DETAILS

California moved some families from a welfare-to-work child care program without time limits to a welfare-to-work program that allows a maximum of 24 months of child care help after leaving cash assistance.

Connecticut's used increased state funding to re-open its Child Care Assistance (voucher/certificate) Program for TANF and low-income working families. The state was able to serve additional low-income working parents earning up to 50 percent of the state median income. In addition, the state passed legislation in June 1999 requiring the Child Care Assistance Program to include adoptive families from the Department of Children and Families in its priority and intake eligibility system and allow the Commissioner for Children and Families to request the Commissioner of Social Services to waive the income requirements for these families.

Delaware raised income eligibility from 155 percent to 200 percent of the federal poverty level effective January 2000.

The District of Columbia implemented new rules to allow children who are dually eligible for Head Start and child care subsidies to remain eligible for both programs for a full year without having their eligibility redetermined. The District will also provide subsidies for children with disabilities up to age 19 who are physically and mentally incapable of caring for themselves.

Florida raised income eligibility from 150 percent to 200 percent of the federal poverty level for the Child Care Executive Partnership Program, which is a small partnership between the state and business community to provide child care assistance. However, eligibility remains at 150 percent of poverty for families in the state's major child care assistance program. The state's new School Readiness legislation stipulates that once a child is eligible for care, they may remain in the program until age five even if family income exceeds eligibility guidelines. Yet, parent fees will increase as family income goes up.

Georgia raised income eligibility to assist grandparents, great-grandparents, aunts, uncles, and adult siblings who are both the responsible adult for the children and the TANF payees for related children who reside with them.

Illinois eased work requirements for non-TANF recipients who need child care while attending education or training. The state will now deduct 10 percent from wages and salary paid by an employer to determine eligibility and assess parent fees.

Indiana adjusted initial income eligibility to 143 percent of the 1998 federal poverty level. Once enrolled, however, families can remain eligible for child care assistance up to 181 percent of poverty if funds are available.

Iowa implemented new rules that combine eligibility for all non-TANF programs into one unified eligibility level (140 percent of the federal poverty level). TANF families are automatically eligible during any hours they are working without regard to income.

Kansas implemented a new policy that allows additional child care assistance for income-eligible parents who are working at least 35 hours per week and need care in order to attend skill-specific training.

Kentucky raised income eligibility from 150 percent to 160 percent of the federal poverty level.

Maryland increased income eligibility levels from 40 percent to 45 percent of its state median income.

Minnesota made several changes to the At-Home Infant Care Program (AHIC), which allows parents who are eligible for child care assistance to receive assistance to stay home with their infant for one year. Families with infants are eligible if they are not receiving cash assistance, have not previously received all of the one-year exemption from the work requirement for infant care under MFIP (the state's welfare-to-work program), have not reached a lifetime total of 12 months of assistance, and meet income guidelines. The changes allow families in the AHIC program to remain on the waiting list for regular child care assistance and continue moving up on the waiting list while receiving AHIC.

Mississippi raised eligibility to reflect 85 percent of its *current* state median income.

Montana extended the recertification period for eligibility for child care assistance from three months to six months and implemented new rules that allow a parent to maintain eligibility through the end of the month following a job loss.

New Hampshire increased income eligibility from 185 percent to 190 percent of the federal poverty level.

New Jersey established new income eligibility tiers for determining initial entrance priority for child care assistance. Families with annual gross income falling at or below 150 percent of the current federal poverty level are given highest priority consideration, families with income falling between 151 and 175 percent are given the next priority, and families with income falling between 176 and 200 percent are considered last. Upon annual redetermination, families remain eligible until annual gross income exceeds 250 percent of the federal poverty level.

New York enacted the Day Care in Lieu of Public Assistance bill, legislation that amends the social services law to enable applicants or recipients of public assistance to elect to receive child care subsidies instead of

ongoing public assistance. Additionally, recipients of child care subsidies under this act who are no longer eligible for public assistance benefits will be eligible for transitional child care.

North Carolina raised income eligibility for a family of three from $2,341 a month for a family of three to $2,719 a month, adjusting it in June 1999 to reflect updated state median income data.

Ohio raised income eligibility to 185 percent of the federal poverty level. The state also expanded its recertification period from six months to one year.

Oklahoma raised eligibility by changing the earned income deduction from $120 to 20 percent of earned income and allowing an in come deduction for child support payments made to someone outside the household.

Pennsylvania amended its lower eligibility level passed in 1998 to allow families with incomes above the new cutoffs who had been receiving assistance to maintain eligibility for child care help. In addition, the state implemented a tiered eligibility system that allows any family to enter with an income under 185 percent of the federal poverty level and maintain their eligibility if they earn up to 235 percent of the federal poverty level.

Rhode Island raised income eligibility to 225 percent of the federal poverty level and will increase eligibility to 250 percent of the federal poverty level on July 1, 2000.

South Carolina added a "Family Independence" category for child care assistance eligibility. Individuals who become employed within two years of losing TANF assistance due to time limits may apply for transitional child care once they become employed. If they remain eligible, they may receive child care assistance for two years.

South Dakota began disregarding 4 percent of a household's earned income when determining eligibility for assistance and established a six-month continuous eligibility cycle to eliminate the need for certificate changes within the eligibility period. In addition, the state increased the maximum hours per month for which a family may receive child care assistance from 200 hours to 210 hours per child. The state also reduced the minimum work hours required for four-year degree students from 80 hours to 40 hours per month. Once the 40-hour work requirement is met, the combination of work hours and actual class time hours must equal or exceed 80 hours per month. Two-year degree or technical institute students will remain exempt from the work requirement as long as their actual class time hours equal or exceed 80 hours per month. If actual class time hours do not equal 80 hours per month, the applicant will be required to work enough hours so that the combination of class time and work hours equals or exceeds 80 hours per month. The Child Care Assistance application was also made available to download on the Child Care Services website. This allows families and child care providers who have computers access to the application. In another effort to improve accessibility, child care caseworkers began outreach efforts to area reservations to assist interested families with the application process.

Texas has implemented a new policy that allows local workforce development boards to set income eligibility up to 85 percent of the state median income. Previously, the maximum was set at 75 percent of the state median income.

Virginia revoked language to restrict local social services agencies from providing former welfare recipients with preferential eligibility for child care assistance. The new language is intended to allow local agencies to continue providing child care assistance to eligible low-income working parents who had formerly received welfare after their TANF child care entitlement expires.

Washington raised income eligibility from 175 percent to 225 percent of the federal poverty level.

West Virginia raised income eligibility levels to 150 percent of the federal poverty level and eliminated separate entry and exit levels for child care assistance. Previously, the entry level was 85 percent of the federal poverty level and the exit level was just over 100 percent of the poverty level.

Wisconsin raised initial child care assistance eligibility from 165 percent to 185 percent of the federal poverty level. Once a family begins receiving child care assistance, they will remain eligible until their income reaches 200 percent of the federal poverty level. The state also implemented several additional eligibility changes including: eliminating the asset test; disregarding child support received when determining income; considering net income rather than gross income for self-employed persons and farmers; and allowing children with disabilities ages 13 to 18 to be eligible for child care assistance.

Table 1.
June 1, 1999 Snapshot:
Income Eligibility (at initial application) for a Family of Three*

State	Maximum Annual Income (in dollars)	Maximum Annual Income (as a % of SMI†)	Maximum Annual Income (as a % of FPL†)
Alabama	17,328	46	125
Alaska	44,328	85	319
Arizona	22,908	61	165
Arkansas	18,401	59	133
California‡	33,852	75	244
Colorado	25,668	57	185
Connecticut‡	30,537	54	220
Delaware‡	21,168	44	153
District of Columbia‡	27,921	62	201
Florida‡	19,995	53	144
Georgia‡	24,278	59	175
Hawaii	41,388	85	298
Idaho	20,472	55	147
Illinois‡	21,819	47	157
Indiana‡	19,995	45	144
Iowa‡	19,428	48	140
Kansas‡	24,600	60	177
Kentucky‡	20,475	54	148
Louisiana	29,580	84	213
Maine	34,723	85	250
Maryland‡	18,409	35	133
Massachusetts	23,172	44	167
Michigan	26,064	55	188
Minnesota‡	35,410	75	255
Mississippi‡	21,999	68	158
Missouri	17,784	42	128
[illegible]‡	20,820	60	150
Nebraska	25,678	65	185
Nevada	32,100	75	231
New Hampshire‡	25,935	55	187
New Jersey‡	27,760	50	200
New Mexico	28,584	89	206
New York‡	26,964	61	194
North Carolina‡	32,628	79	235
North Dakota	29,340	77	211
Ohio‡	25,680	59	185
Oklahoma‡	24,672	68	178
Oregon	25,056	65	181
Pennsylvania‡	25,678	57	185

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Table 1.
June 1, 1999 Snapshot:
Income Eligibility (at initial application) for a Family of Three* *(continued)*

State	Maximum Annual Income (in dollars)	Maximum Annual Income (as a % of SMI†)	Maximum Annual Income (as a % of FPL†)
Rhode Island‡	27,300	60	197
South Carolina‡	17,062	43	123
South Dakota‡	20,004	53	144
Tennessee	22,704	60	164
Texas‡	32,868	84	237
Utah	23,928	62	172
Vermont	31,032	75	224
Virginia‡§	20,820–25,678	46–57	150–175
Washington‡	27,941	63	201
West Virginia‡	14,988	43	108
Wisconsin‡	22,908	51	165
Wyoming	18,468	47	133

* Data accurate as of June 1, 1999.

† SMI is FY 1999 State Median Income. FPL is 1999 Federal Poverty Level ($13,880 for a family of three). Please note that percentages may change as annual SMI and FPL numbers change.

‡ These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

§ Upper income eligibility varies by region of the state.

Source: CDF survey of state child care administrators, July 1999.

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SUBSIDY CO-PAYMENTS

The amount that states require families to pay toward their child care costs clearly affects whether child care assistance truly makes care affordable to families. High co-payments can make it difficult or impossible for families to use subsidized care, or put families under extreme financial hardship even if they are receiving help.

Given their meager earnings, and the other demands on their limited resources, it is important that low-income families have reasonable co-payments. Nationally, non-poor families who pay for child care spend roughly 7 percent of their income on child care.[9] Experts recommend that co-payments for child care assistance should be nominal or waived for families with incomes below poverty and that low-income families above poverty should pay no more than 10 percent of their income.

In 1999, there was mixed activity across the states. Eleven states—**Illinois, Kentucky, Massachusetts, Mississippi, Ohio, Pennsylvania, South Dakota, Vermont, Washington, West Virginia** and **Wisconsin**—lowered or plan to lower parent fees for at least some families. Two of these states, **Ohio** and **Wisconsin**, passed legislation limiting the maximum parent fee level in their states to 10 percent and 12 percent respectively. However, three states—**Florida, Louisiana,** and **Minnesota**—raised fees.

New State Actions 1999: State-by-State Details

Florida enacted new School Readiness legislation requiring that fees be charged for all programs, including the state-funded prekindergarten program.

Illinois cut co-payments in half for families using part-time care.

Kansas increased the number of steps in its fee scale (from five to 11) to allow a more gradual increase in the family co-payment as family income increases.

Kentucky eliminated all co-payments for families earning less than $900 a month. Previously, only families earning less than $600 did not have a co-payment.

Louisiana raised parent fees for all families above poverty.

Maryland adjusted its sliding fee scale to reflect increases in its eligibility level.

Massachusetts increased the number of steps in its fee scale (from 14 to 25) to allow a more gradual increase in the family share as family income increases, and lowered fees for families entering the child care assistance program so that they are required to pay no more than 10 percent of gross monthly income.

Minnesota increased parent co-payments for families above the federal poverty level.

Mississippi lowered parent co-payments across the board. Families are not required to pay more than 8 percent of their adjusted annual gross income.

North Dakota revised the sliding fee schedule to reflect the 1999 state median income.

Ohio implemented new rules setting the maximum parent fee at 10 percent of family income. The state also changed the recertification period to one year instead of six months and will not increase co-payments (due to increased earnings) until recertification.

Pennsylvania adjusted the sliding fee scale to reflect new income eligibility guidelines and lowered fees for many families. In addition, families with a single school-age child in part-time care now pay half of the previous co-payment.

Rhode Island adjusted its sliding scale for parent co-payments to reflect its increased income eligibility levels.

South Carolina designed a new parent co-payment scale. With the exception of families participating in the Family Independence Program (families receiving a TANF stipend) and foster children, all families with incomes up to 125 percent of the federal poverty level pay a co-payment of either $3.00, $5.00, or $7.00 per week per child, depending on family size. Families with incomes between 125 and 175 percent of the federal poverty level pay a co-payment of either $9.00 or $11.00 per week per child.

South Dakota lowered parent co-payments and also placed a 20 percent cap on co-payments for income-eligible parents.

Texas delegated to the local workforce development boards the power to set parent co-payment levels between nine and 15 percent of a family's gross income. Boards set fee policies locally and have the power to implement fee reductions for extenuating circumstances.

Vermont allocated $500,000 to restructure its sliding scale to help minimize parent fees.

Washington implemented new rules to allow caseworkers to maintain a family's child care assistance co-payment at the same level throughout the client's authorization period even if the family's income increases, but to lower co-payments if the family's income decreases.

West Virginia reduced parent co-payments. Families with one child in care will pay 2.5 to 4.5 percent of their gross monthly income in fees. Families with two children in care will pay 3.5 to 5.5 percent of their income in fees. Families with three or more children in care will pay 4.5 to 6.5 percent of their income in fees. Previously, parents paid 5 to 10 percent of their income in fees.

Wisconsin reduced co-payments from a maximum of 16 percent of family income to a maximum of 12 percent of family income. Families requesting part-time child care (20 hours of care or less per week) will be responsible for one-half of the co-payment identified on the sliding fee scale.

Table 2.
June 1, 1999 Snapshot:
Co-payments for a Family of Three at 150 Percent of FPL*

State	Monthly Parent Co-payment (in dollars)	Percent of Family Gross Income
Alabama	Not eligible	N/A
Alaska	125	7
Arizona	231	13
Arkansas	Not eligible	N/A
California	0	0
Colorado	175	10
Connecticut	100	6
Delaware	194	11
District of Columbia	157	9
Florida†	117	7
Georgia	121	7
Hawaii	32.50	1.8
Idaho	Not eligible	N/A
Illinois	108	6
Indiana	130	7
Iowa	Not eligible	N/A
Kansas†	177	10
Kentucky†	Not eligible	N/A
Louisiana†	86	5
Maine	173	10
Maryland†	Not eligible	N/A
Massachusetts†	173	10
Michigan	26	1
Minnesota†	53	3
Mississippi†	136	8
Missouri	Not eligible	N/A
Montana	239	14
Nebraska	118	7
Nevada	274	16
New Hampshire	2	0
New Jersey	133	8
New Mexico	104	6
New York	52-183. Varies by County	3-11
North Carolina	156	9
North Dakota†	207	12
Ohio†	93	5
Oklahoma	162 (one parent); 146 (two parents)	9; 8
Oregon	365	21
Pennsylvania†	180	10

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Table 2.
June 1, 1999 Snapshot:
Co-payments for a Family of Three at 150 Percent of FPL* *(continued)*

State	Monthly Parent Co-payment (in dollars)	Percent of Family Gross Income
Rhode Island†	48	3
South Carolina†	39	2
South Dakota†	500	29
Tennessee	138	8
Texas†	156	9
Utah	200	12
Vermont†	147	8
Virginia	174	10
Washington†	150	9
West Virginia†	Not eligible	N/A
Wisconsin†	194	11
Wyoming	Not eligible	N/A

* Data accurate as of June 1, 1999. FPL= Federal Poverty Level ($13,880 for a family of three). Information on co-payments is based on the monthly fee for a family of three earning $20,820 (150 percent of the 1999 federal poverty level) and receiving help paying for one child's care.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

Source: CDF survey of state child care administrators, July 1999.

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SUBSIDY REIMBURSEMENT RATES

Policies for reimbursing child care providers who receive public funds can determine whether parents really have a choice of child care providers, how easily parents are able to obtain care, and how willing and financially able providers are to accept children receiving public funds. Without access to affordable and good quality child care, our poorest and most vulnerable children cannot take advantage of the supportive child care arrangements they need to enter school ready to succeed.

At the very minimum, states should move first to set reimbursement rates based on the 75th percentile of a *current* market rate. Rates should also reflect variations in costs due to differences in the age of the children, the type of care, the geographic region, as well as the costs of providing higher quality care or care that is more difficult to find (such as odd-hour care). In addition, states should offer differential rates as an incentive or reward for programs that offer care that is higher quality or in short supply (such as accredited care, odd-hour care, care for children with disabilities, and care for infants), as a number of states have begun doing.

In 1999, states were very active regarding rates, with more than two-thirds of states (38) taking action to improve rates, including: **Arizona, California, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia, Wisconsin,** and **Wyoming.** While this activity on rates brings much needed improvements to many

states, an estimated one-third of states still base their rates on out-of-date market rate surveys.[10]

Three states, **Florida, Maine,** and **Oklahoma** recognized that rates *above rates charged to private-paying parents* may be necessary to truly promote quality and supply-building in areas with large concentrations of low-income families or that are underserved. This policy allows programs in such areas to maintain affordable rates for families who have limited incomes but who are not receiving child care assistance while still benefiting from higher state reimbursement rates for accreditation.

NEW STATE ACTION 1999: STATE-BY-STATE DETAILS

Arizona raised rates from the 50th percentile to the 75th percentile based on the 1996 market rate survey and implemented a 10 percent rate differential for nationally accredited programs.

California raised rates slightly for odd-hour care and care for children with special needs based on a 1999 market rate survey.

Delaware raised rates to the 75th percentile based on the 1998 market rate.

The District of Columbia raised rates for infant and toddler care and implemented differential rates for evening (10 percent) and weekend, holiday, or overnight care (15 percent).

Georgia implemented a new reimbursement rate system based on geographical zones and raised rates 5 percent across the board. In addition, differential rates were set for infant care, care for children with special needs, and odd-hour care.

Hawaii implemented a new tiered rate system. Accredited child care centers receive $400 a month, licensed child care centers receive $375 a month, licensed family child care homes receive $325 a month, and non-regulated child care providers receive $250 a month.

Idaho raised rates based on the current market rate survey.

Illinois increased some rates based on the 1998 market rate survey. The state also implemented a 10 percent infant/toddler supplement for centers where this age group represents a large proportion of the children they serve (at least 25 percent).

Indiana raised rates based on a 1998 market rate survey. The state also implemented a 10 percent differential rate for care for children with special needs.

Iowa eliminated the Child Care Disregard, which limited families receiving welfare and using the disregard for child care assistance to $160 a month for three- or four-year-olds and $200 a month for infants and toddlers. This change will give families receiving TANF access to the higher reimbursement rates allowed under the state's child care assistance program.

Kansas raised rates based on a 1998 market rate survey.

Kentucky significantly increased the infant and toddler rates for licensed and certified providers and increased the differential rate for NAEYC- (National Association for the Education of Young Children) and NAFCC- (National Association of Family Child Care) accredited care from $1 a day to $2 a day. The state also instituted a new differential rate policy that allows providers to claim different rates across more than one category (i.e. accredited, special needs, and odd-hour). Previously, the state would only pay for one of any differential rates for which a program qualified.

Louisiana raised reimbursement rates and implemented a 10 percent differential for accredited programs and a 15 percent differential for children with special needs.

Maine approved legislation to stimulate the development of child care that is often limited in availability, including care in certain geographic areas, infant/toddler care, and odd-hour care. Incentives can include higher rates of reimbursement for such care.

Maryland raised rates to approximately the 75th percentile based on a 1999 market rate survey.

Massachusetts established a $5.2 million reimbursement rate reserve to increase supply in two low-income regions of the state.

Michigan conducted a market rate survey in March 1999 but did not raise rates.

Mississippi raised reimbursement rates based on a 1999 market rate survey. In addition, under a three-tiered reimbursement system, centers that employ one or more credentialed caregivers receive an enhanced reimbursement rate.

Missouri restructured its rate system by collapsing regional categories into three new categories: metro, sub-metro, and rural. The state also implemented differential rates for infant care, odd-hour care, accredited programs, and those serving a disproportionate share of low-income children.

Montana implemented new regional reimbursement rates (based on resource and referral districts) using the 75th percentile based on a 1998 market rate survey. The state also implemented a pilot project to provide higher rates for staff with higher training levels (i.e. staff with CDA/WestEd training in infant/toddler programs). In addition, the state is exploring a tiered reimbursement rate structure.

Nebraska updated rates to between the 60th and 75th percentile based on a current market rate survey.

Nevada updated rates based on a 1998 market rate survey.

New Hampshire will now provide full-day reimbursement for children who are also enrolled in half-day Head Start wrap-around programs. In addition, the state announced a 5 percent rate increase retroactive to July 1, 1999.

New Jersey increased the maximum allowable child care payment rates to provide an across-the-board 1.8 percent cost of living adjustment (COLA). Child care providers that have obtained accreditation receive a 5 percent differential rate, which has been expanded to include school-age child care programs that are accredited by the National School Age Child Care Alliance. In addition, the state will provide early childhood education centers that contract with the

Abbott districts, which are mandated to provide prekindergarten to preschool-age children, with $4,500 per child for six hours of care to supplement the $3,500 per child rate supplied by the district. The centers will be required to meet new state prekindergarten standards regarding staff credentials and class size.

New Mexico used TANF transfer dollars to fund a slight increase in reimbursement rates. The state also replaced its existing differential rates for higher quality care with a pilot project called "AIM High." This new project encourages providers to work toward higher levels of quality and accreditation. Specific technical assistance and financial incentives are made available to providers enrolled in AIM High. Providers who have lowered their child/staff ratios for infants and toddlers and/or who achieve accreditation will receive additional reimbursement.

North Carolina raised rates based on a 1997 market rate survey. At the same time, the state will implement a new rate system, which is tied to its new five-tier licensing system. To ensure that the new rate system does not affect quality child care facilities negatively, child care programs that have already been receiving higher reimbursement rates will be "held harmless" for three years from the implementation of the new rates—their reimbursement rates can go higher than their previous rates if they meet higher standards of the rated license, but their rates cannot go lower. Child care centers and homes that receive a two- to five-star rated license will receive quality bonus payments for serving children with subsidies.

North Dakota raised rates to the 75th percentile of the 1999 market rate. Rates were increased across the board except for its approved relative category. These rates were reduced in an effort to encourage providers to move forward in the child care profession and become at a minimum self-certified providers. A new age category of rates was also added for the toddler age group.

Oklahoma implemented a new policy allowing providers to claim the maximum subsidy reimbursement rate regardless of the rate charged to private-paying families. The state also implemented a three-star level for centers and family child care homes that meet two-star quality criteria and are nationally accredited. The additional reimbursement for three-star programs ranges from $2 to $7 per day per child.

Oregon implemented a tiered payment program for the state's subsidized child care program. Providers who meet specified training requirements will receive a 7 percent rate increase and have more flexible billing options available to them. The state also provided an additional $1.6 million for special-needs funding and increased funding for parents receiving child care assistance who need additional child care hours for exceptional reasons (commute time, sleep time, etc.).

Pennsylvania added a 3 percent cost of living adjustment to the reimbursement rate on July 1, 1999 and raised rates to the 75th percentile of the 1998 market rate effective January 1, 2000 (a 14 percent increase).

Rhode Island raised rates to the 75th percentile of the 1998 market rate survey effective January 1, 2000.

South Carolina conducted a local market rate survey and increased the allowed maximum weekly rates adjusted for rural and urban counties, the quality level of the providers, and the age of the child served.

South Dakota increased reimbursement rates based on a 1999 market rate survey and implemented a tiered rate system to raise rates in urban areas and university communities. The state also implemented a new rule allowing providers to charge a full-day rate when providing wrap-around care for Head Start children.

Tennessee increased rates from the 65th percentile to the 70th percentile based on a current market rate survey. The state plans to increase rates 5 percent each year until rates reach the 80th percentile.

Texas delegated responsibility for setting rates to the local workforce boards. The state passed legislation to require boards to establish a differential rate of 5 percent, provided it does not exceed the private rate, for designated vendors. It also requires boards to allocate a portion of their quality CCDBG funds to a competitive procurement system that encourages child care providers to meet voluntarily the designated vendor program or national accreditation criteria for children under four.

Vermont increased reimbursement rates by 13 percent and implemented a 15 percent quality incentive bonus, or differential rate, for accredited programs.

Washington increased rates to the 71st percentile of a 1998 market rate survey and implemented a non-standard hour bonus for eligible children in care 15 hours or more during non-traditional hours.

West Virginia raised reimbursement rates to the 75th percentile of the market rate. Rates for accredited programs were set at the 85th percentile. A differential of $3 per day was added for each day of care provided during times meeting the state's definition of non-traditional work hours—prior to 6 a.m. or after 7 p.m. on weekdays and any time on weekends.

Wisconsin raised rates to the 75th percentile of the 1999 market rate effective January 2000. (The 1999 survey requested rate information for the year 2000.) The state also implemented a new policy that allows reimbursement up to 10 percent above the market rate for accredited centers and family child care providers with a CDA who charge more than the state's maximum rate.

Wyoming raised rates to the 75th percentile based on a 1999 market rate survey. The state also increased the maximum payment per child per month from $325 to $450.

Table 3.
June 1, 1999 Snapshot:
State Child Care Reimbursement Rates*

State	Percentile/Year of Market Rate Survey
Alabama	75th/1996 MRS
Alaska	75th/1998 MRS
Arizona†	75th/1996 MRS
Arkansas	75th/1998 MRS
California†	1.5 standard deviations above 1997 average MRS
Colorado	Counties set rates locally. Highest County Rate exceeds 1995 MRS
Connecticut	75th/1991-2 MRS
Delaware†	$93 below 1998 MRS
District of Columbia†	69.5th/1998 MRS
Florida	Up to the market rate of "Gold Seal Centers" that have achieved accreditation/MRS conducted every year
Georgia†	$86 below 75th/1998 MRS; 69th percentile
Hawaii†	Below 75th/1996 MRS (Rates will change this summer)
Idaho†	75th/1999 MRS
Illinois†‡	75th/1998 MRS
Indiana†	75th/1996 MRS
Iowa†	75th/1996 MRS
Kansas†	(Infant/Toddler Equal to 70th)/1998 MRS
Kentucky†	75th/1996 MRS
Louisiana†	75th/1997 MRS
Maine†	75th/1997 MRS
Maryland†	Approx. equal to 75th/1997 MRS for multi-county jurisdiction to which state rate applies
Massachusetts†	55th/1994 MRS
Michigan†	75th/1995-1996 MRS
Minnesota	75th/1998 MRS
Mississippi†	75th/1995 MRS
Missouri†	$167 below 75th/1996 MRS
Montana†	75th/1998 MRS
Nebraska†	75th/1997 MRS
Nevada	75th/1998 MRS
New Hampshire†	99th/1994 MRS
New Jersey†	$25 below 75th/1998 MRS
New Mexico†	75th/1997 MRS
New York	75th/1995 MRS
North Carolina†	Varies by county, based on the 1993 MRS
North Dakota†	$26 below 75th/1997 MRS
Ohio	75th/1998 MRS
Oklahoma†	79th/1996 MRS
Oregon†	75th/1994 MRS
Pennsylvania†	75th/1994 MRS plus 3% cost of living as of 1/1/99

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Table 3.
June 1, 1999 Snapshot:
State Child Care Reimbursement Rates* *(continued)*

State	Percentile/Year of Market Rate Survey
Rhode Island†	75th/1993 MRS
South Carolina†	75th/1998 MRS
South Dakota†	75th/1996 MRS
Tennessee†	65th/1998 MRS
Texas†	75th/1998 MRS
Utah	75th/1998 MRS
Vermont†	75th/1997 MRS
Virginia	75th/1997 MRS
Washington†	74th/1996 MRS
West Virginia†	$87 below 1996 MRS
Wisconsin†	75th/1999 MRS
Wyoming†	75th/1996 MRS

* Data accurate as of June 1, 1999. Reimbursement rate given is the state's maximum reimbursement rate for a four year-old in a child care center.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

‡ Illinois has three regional rates based on a 1998 market rate survey. Within a particular county in a region, rates may be less than, equal to, or greater than the 75th percentile of the market rate.

Source: CDF survey of state child care administrators, July 1999.

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TAX CREDITS

States use tax credits and other incentives to help make child care more affordable, promote the use of high quality care, and encourage business to invest in child care. Child care tax credits for parents can put more money in the hands of families to help them purchase better care and to support their participation in the workforce. States should have a refundable child care tax credit in place to ensure that low-income families can take advantage of these credits.

As of June 1, 1999, 24 of the 42 states with an income tax had a child care tax credit for parents. Information regarding state activity after June 1, 1999 indicates that one additional state—**Maryland**—has implemented a new child care tax credit for parents. Yet, only seven states truly meet the needs of low-income working families by making the credit refundable, including **Arkansas**, **Hawaii**, **Iowa**, **Minnesota**, **Nebraska**, **New Mexico**, and **New York**.

New State Action 1999: State by State Details

Florida's new Gold Seal legislation includes a sales tax exemption for educational materials; a property tax exemption for Gold Seal child care facilities that provide health insurance for their employees; an exemption from the ad valorem tax for licensed child care facilities and religiously exempt facilities that achieve a Gold Seal designation; and a property tax exemption for child care facilities operating in an enterprise zone.

Georgia passed legislation (HB 610) that provides increased income tax credits to employers who construct and/or operate on-site child care facilities.

Maine will provide a higher parent child care tax credit if a child is enrolled in a "Quality Child Care Program" beginning January 1, 2000 (refundable in 2001) and double the employer tax credit for businesses investing in "Quality Child Care Projects" ("Quality" being defined in statute as "accredited"). In order to qualify for other state tax credits, businesses are required to demonstrate that they are addressing the child care needs of their workers. Savings from these tax breaks can be used by businesses for child care facilities and other child care costs.

Maryland enacted a state child care tax credit for families earning up to $40,000 per year.

Massachusetts raised the maximum deduction for child care expenses to $3,600 for one child or $7,200 for two or more children for the 1999 tax year. Additionally, for the 2000 and all subsequent tax years, the maximum deduction will be increased to $4,800 for one child or $9,600 for two or more children.

Minnesota required the Commissioner of the Department of Children, Families and Learning, in cooperation with the Commissioner of Revenue, to implement efforts to expand the availability of pretax child care expense accounts. The state transferred $20,000 from the TANF block grant to the Child Care and Development Block Grant to provide assistance to employers establishing pretax accounts for their employees. Assistance may include technical assistance, workshops for employers or employees on the advantages of pretax accounts, and other types of promotional material or assistance.

New York enhanced its Child and Dependent Care Credit by raising the income threshold for receiving the full amount of the federal credit from $17,000 to $35,000 for the 1999 tax year. The credit will be phased down from 100 percent to 20 percent of the federal credit for families with incomes between $35,000 and $50,000 a year.

Texas enacted legislation effective January 1, 2000 to provide a franchise tax credit of the lesser of $50,000 or 50 percent of a corporation's qualifying expenditures for child care centers and to purchase child care. It makes available a credit of up to 30 percent of a corporation's qualifying expenditures for school-age child care.

Table 4.
June 1, 1999 Snapshot:
State Child Care Tax Credits for Parents*

State	Does the State Have a Tax Credit for Parents?
Alabama	No
Alaska	N/A
Arizona	No
Arkansas	The state has a refundable tax credit.
California	No
Colorado	The state has a tax credit that is not refundable.
Connecticut	No
Delaware	The state has a tax credit that is not refundable.
District of Columbia	The state has a tax credit that is not refundable.
Florida	N/A
Georgia†	No
Hawaii	The state has a refundable tax credit.
Idaho	The state has a tax credit that is not refundable.
Illinois	No
Indiana	No
Iowa	The state has a refundable tax credit.
Kansas	The state has a tax credit that is not refundable.
Kentucky	The state has a tax credit that is not refundable.
Louisiana	The state has a tax credit that is not refundable.
Maine†	The state has a tax credit that is not refundable.
Maryland†	The state has a tax credit that is not refundable.
Massachusetts†	The state has a tax credit that is not refundable.
Michigan	No
Minnesota†	The state has a refundable tax credit.
Mississippi	No
Missouri	No
Montana	The state has a tax credit that is not refundable.
Nebraska	The state has a refundable tax credit.
Nevada	N/A
New Hampshire	N/A
New Jersey	No
New Mexico	The state has a refundable tax credit.
New York†	The state has a refundable tax credit.
North Carolina	The state has a tax credit that is not refundable.
North Dakota	No
Ohio	The state has a tax credit that is not refundable.
Oklahoma	The state has a tax credit that is not refundable.
Oregon	The state has a tax credit that is not refundable.
Pennsylvania	No

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Table 4.
June 1, 1999 Snapshot:
State Child Care Tax Credits for Parents* *(continued)*

State	Does the State Have a Tax Credit for Parents?
Rhode Island	No
South Carolina	The state has a tax credit that is not refundable
South Dakota	N/A
Tennessee	N/A
Texas†	N/A
Utah	No
Vermont	No
Virginia	The state has a tax credit that is not refundable
Washington	N/A
West Virginia	No
Wisconsin	No
Wyoming	N/A

* Data accurate as of June 1, 1999.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

"N/A" means the State does not have an income tax.

Source: CDF survey of state child care administrators, July 1999.

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GENERAL QUALITY AND SUPPLY

To ensure that children enter school ready to succeed, they must have access to high quality child care settings. Research is clear about the path to attaining high quality. Unfortunately, research also shows that most of the care available to families is of poor or mediocre quality. Families whose children are in the most need of high quality care, including those from low-income families, infants and toddlers, and children with special needs, may have the most difficulty finding child care and early education settings that meet their needs.

In 1999, states continued to invest in resource and referral programs, accreditation assistance, training and scholarships programs, some of which are linked to bonuses or salary increases for providers, facility improvements and expansion, and consumer education campaigns. A number of states are seeking to improve health practices in child care programs by stationing health or infant/toddler consultants in resource and referral programs.

At least 20 states implemented or increased differential rates for providers offering higher quality accredited care or hard-to-find care such as odd-hour care, including **Arizona, District of Columbia, Georgia, Hawaii, Kentucky, Louisiana, Maine, Mississippi, Missouri, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, South Carolina, Texas, Vermont, Washington, West Virginia,** and **Wisconsin**.

Despite the continued evidence about the importance of high quality child care, one state, **Minnesota**, actually cut its investment in improving quality by more than 50 percent.

NEW STATE ACTION 1999: STATE-BY-STATE DETAILS

Alabama implemented the Healthy Child Care Alabama Initiative.

Arizona funded a one-year collaborative project involving the two child care resource and referral (CCR&R) contractors to develop the Child Care Consumer Education Media Campaign and a resource and referral website.

Arkansas increased funding for specialized contracts to expand the availability of child care to $3 million. The state also provided additional funding for resource and referral programs.

California earmarked $100 million to expand funding for new contracted centers in low-income neighborhoods. The state also began a $5 million pilot voucher program for migrant agricultural workers. In September, the State Commission for Prop 10 issued child care guidelines that encouraged counties to invest Prop 10 funds in quality and supply activities.

Connecticut made changes to one of the three components in its Child Care Facilities Loan Fund. The Child Care Facilities MicroLoan program expanded the maximum loan amount to $25,000. Loan proceeds may be used for purchases of equipment and furniture, renovations to meet licensing standards, and planning fees. The New Haven Community Investment Corporation provides technical assistance and loan origination with financial assistance from the state Department of Social Services and the U.S. Small Business Administration. The state also created the Inclusive Early Care and Education Team to develop strategies for increasing the quality and supply of child care for children with special needs. The Team is co-chaired by the state's child care (Department of Social Services) and early intervention (Department of Mental Retardation) program administrators. The Team is working with state early intervention and child care programs and exploring the development of training modules to help providers care for children with disabilities.

Delaware developed an educational video presentation for consumers of subsidized child care.

The District of Columbia allocated approximately $20 million to implement the Quality Child Care Initiative to provide training and technical assistance to providers and DCIQ to provide supplies, equipment, and playgrounds. The city also increased funding for: higher education scholarships ($75,000); Child Development Associate (CDA) credential training ($150,000); equipment for 70 playgrounds ($2 million); manipulative equipment, books, and supplies for centers and homes ($1 million); infant care expansion ($700,000); first aid, CPR, child abuse and neglect training and conference scholarships ($100,000); year-round expansion for 4,000 school-age children and an additional 3,500 during the summer ($8.2 million); and the Institute for Early Childhood Leadership Development.

Florida passed a major bill—the Gold Seal legislation—targeted at improving and supporting quality. This package contained numerous provisions, including: incentives to achieve accreditation (including rates at the 100th percentile for accredited Gold Seal care and sales and property tax exemptions for accredited providers); an expansion of the state's T.E.A.C.H. initiative; and licensing improvements. It increases training

requirements for all child care center workers from 30 hours to 40 hours a year and family child care providers from three hours to 30 hours, as well as requiring a credential for all center directors. In addition, the bill includes a sales tax exemption for educational materials; a property tax exemption for Gold Seal child care facilities that provide health insurance for their employees; an exemption from the ad valorem tax for licensed child care facilities and religiously exempt facilities that achieve a Gold Seal designation; and a property tax exemption for child care facilities operating in an enterprise zone. The legislation also provides state funds to help meet the local match for the Early Head Start program. It mandates a study of strategies to provide health insurance for child care providers as well. In another step to boost quality, the state passed new School Readiness legislation that requires articulation agreements between community colleges and universities regarding degree programs in early care and education. The state also established the Warm Line, a telephone hotline that makes technical assistance and consultation services available to providers serving children with special needs.

Georgia implemented the Family Connection initiative, a coalition of approximately 24 counties seeking to identify successful early care and education and school-age strategies. It is offering four $75,000 grants to provide start-up assistance and ongoing family and child development support for current and past TANF recipients who are opening family child care homes. The state provides quality funding for prekindergarten initiatives as well.

Hawaii provided $500,000 to improve quality in legally exempt child care settings and $1 million to contract out child care eligibility determination so that state staff can concentrate on child care licensing.

Illinois increased its quality funds by $7 million.

Indiana continued its support of public/private partnerships. A two-year, $1 million investment of quality funds has created a partnership among the corporate community, the Family and Social Services Administration, and the Indiana Association for Child Care Resource and Referral (IACCRR) to develop the Business Partnership Pilot Project. The objective of the pilot project is to assist local communities in fostering collaborative relationships between private and public partners to increase the quality, affordability, and accessibility of child care. The pilot project will contract with business partnership specialists to consult with corporations, educate the community on work/family issues, advise community organizations of local employer interest, build business mentoring networks, and work with local resource and referral networks to help them better serve the business community. In another effort to support quality improvements, the Indiana Development Finance Authority (IDFA) and the Indiana Family and Social Services Administration collaborated to offer new financing options for licensed child care providers. The state's investment of $2.5 million in the new Facility Financing Loan Program established a loan reserve fund for each participating bank. The loans may be used by child care programs for improvements to the facility, purchase of new equipment, or for working capital. The IDFA also can issue bonds for building child care facilities, typically for projects in excess of $100,000, or for financing capital assets such as land, buildings, and equipment purchases.

Iowa passed legislation to establish a "Gold Seal" designation for accredited centers and homes. Gold Seal programs are eligible for awards. The state also continued to set aside $3.8 million in the TANF block grant to support improvements in quality and accessibility of child care through the Community Empowerment Area Initiative.

Kansas increased quality spending to 11 percent of its child care funds. This supported grants to local resource and referral agencies, increased provider training, grants to improve the quality of licensed family child care, grants to assist new providers in obtaining a license, and the hiring of an infant/toddler specialist in each of the state's resource and referral agencies. The state also launched a public awareness campaign with the theme "Good Beginnings Last a Lifetime" and allocated funds to support the progress of the Early Care Education Professional Development Initiative. In addition, plans are being developed through the local Head Start programs in five communities to organize community teams to support early care and education professional development.

Kentucky allocated funds for quality grants for resource and referral programs to meet locally identified needs. The state also made small start-up grants (approximately $300 each) available to family child care homes for insurance or other initial costs.

Maine's Start ME Right initiative included $1.9 million for quality and facility improvements. These funds were specifically allocated to provide: a revolving loan and child care scholarship program; one-time child care quality and facility improvement grants (to be administered on a county-by-county basis through community collaborations); one-time grants for cross-regional child care quality improvements; and ongoing child care quality funding. This legislation also included separate funding for: supporting the Maine Resource and Referral system; hiring additional child care licensing staff; and developing a statewide network of pilot programs providing school-age care for children ages 12 to 15. In addition, the legislation provided funding to enable the Healthy Families project (family visitation for families of newborns) to expand statewide. The state also doubled the parent/child tax credit if a child is enrolled in a "quality" child care program and doubled the employer tax credit for providing "quality" child care ("quality" being defined as "accredited").

Massachusetts established a $3.4 million one-time quality fund and a $5.2 million reimbursement rate reserve to address supply issues in two low-income regions of the state.

Michigan allocated quality set-aside funds for: provider training ($1 million); incentive payments for training of relatives and in-home aides ($300,000); CDA Scholarships ($60,000); accreditation scholarships for centers and homes ($75,000); EQUIP provider grants ($810,000); 4C competitive special project grants ($350,000); special-needs enhanced referrals ($30,000); a market rate survey ($30,000); a provider opinion survey ($10,000); resource and referral services ($2.8 million); child care licensing staff support ($6.9 million); consumer education ($382,700); the Better Homes and Centers newsletter ($21,000); preschool for three-year-olds at risk ($500,000); before- and after-school care ($314,000); healthy child care ($117,300); and the Ready to Learn Summit ($100,000).

Minnesota decreased funding for quality activities such as resource and referral capacity building, facility loans, and training and mentoring grants by $4 million. This is a cut of more than half of the 1998 level, which had included $4 million as a one-time increase by the state legislature to respond to welfare reform.

Mississippi increased the CCDBG quality set-aside to 5 percent. The state allocated funds to assist family child care providers in meeting the health and safety requirements of the Child Nutrition Bureau and the state Department of Education and to expand support of the CDA program. The state also piloted a project with Child and Adult Care Food Program sponsors to recruit and train family child care providers serving infants and toddlers and to offer supplies and higher rates for providers who link up with the food program network. In addition, the state sent children's books to all child care centers. Non-competitive awards are given to licensed centers that begin serving infants or increase the number of infants being served.

Montana increased funding for child care resource and referral programs to support quality improvement and supply-building activities and launched the Best Beginnings program to coordinate such activities.

Nevada increased overall funding for quality and supply from $732,000 to over $2.6 million.

New Hampshire allocated new CCDBG funds to help children with disabilities access school-age care and to fund a collaboration in Manchester to provide support to infants and toddlers with special needs. Funding was also allocated to make drop-in care available to TANF clients while they are at their local social services office. Furthermore, the state provided nurses under the Healthy Child Care NH program to consult with contracted child care centers.

New Jersey allocated $11 million to help existing licensed child care centers increase their licensed capacity to serve three- and four-year-old children residing in one of the 30 Abbott school districts.[11] Grants awarded included $8 million for new construction and $3 million for minor facility renovations, repairs, and improvements. An additional $2 million was allocated for the purchase of developmentally appropriate equipment, furniture, and supplies. To increase public awareness of the availability of child care resource and referral services in each county, the state has allocated an additional $500,000 to establish a parent education campaign. The state also conducted a study of approved home care providers in three counties as part of an effort to improve quality. Focus group participants indicated preferences for maintaining their status as an approved home provider, as opposed to becoming a registered family child care provider. Based on the needs of providers and parents they identified, the state has allocated $354,000 for a one-year pilot program to improve the quality of care in approved homes. This program will be piloted in five counties with special emphasis on care to Latino families.

New Mexico eliminated all child development and before- and after-school contracts and reallocated the funds to support the state's new pilot AIM High Program.

New York increased state funding for several quality and supply initiatives, including: $2.2 million for campus-based child care, $4.5 million for after-school programs, and

$5 million for extended-day school safety/violence prevention programs. The state also earmarked $42 million in TANF funding for a range of quality efforts, including: expanding child care assistance, developing odd-hour care, expanding resource and referral, supporting professional development and family child care networks, and creating an intergenerational child care demonstration project. In addition, $25 million of the state's new $200 million TANF child care reserve fund is set aside for quality activities. The state has created an incentive grant program for child care centers serving infants and toddlers to encourage the centers to seek accreditation by making grants of up to $10,000 to ready the program for accreditation. The state also continued to make sizeable investments in established grant programs for start-up and ensuring health and safety for all types of care. The state made available $15 million in state bond funds for capital construction grants for child care centers. The state released a multi-media consumer education campaign called "Think About Child Care" as well. The campaign includes written materials, television and radio spots, and a 20-minute parent education video designed to be used in places such as doctors' offices and public assistance offices, as well as formal care settings.

North Carolina expanded two existing pilot projects under the T.E.A.C.H. umbrella. Known collectively as NC Cares, the programs will offer wage supplements and health insurance to those who have received education credentials or who make a commitment to further education. These programs are supported by $4.1 million in state funds and $2.3 million in federal funds. (See Training and Compensation section for more details.)

Oklahoma increased funding for a child care resource and referral network office that provides funding, coordination, and technical assistance to the nine resource and referral agencies providing services statewide. The state also contracted for a child care assistance awareness campaign that included posters, brochures, and television and radio public service announcements.

Oregon allocated funds for care for children with special needs; a new tiered payment program that allows an additional 7 percent reimbursement for child care providers who meet certain education requirements; supplemental assistance for parents who need additional child care hours for special circumstances (such as commute time and sleep time); and an expansion of its resource and referral system to provide coverage statewide. The state also developed a new public education guide, "Five Steps to Finding Quality Child Care," and initiated the Oregon's Child, Everyone's Business (OCEB) campaign. The campaign focuses on brain development research and its importance to early childhood care and education. In addition, the Forging the Link Project completed its strategic plan for the implementation of the Essential Elements and the promotion of quality childhood care and education programs. Lastly, the state developed a pilot project to determine the costs of special-needs care.

Pennsylvania created Cyberstart, a $1.6 million initiative to provide Internet access to child care centers. An additional $1.6 million will be used to increase training for child care providers. Also, the state invested $3.9 million for special quality initiatives in 1999, an increase of $2.1 million from 1998. These initiatives include: training and mentoring for family child care homes,

support to relative/neighbor care homes, infant/toddler training programs, accreditation assistance projects, quality improvements to infant/toddler care, quality improvements to school-age care, resource libraries, behavior management programs, and supports for children with special needs.

Rhode Island allocated an additional $700,000 through the Starting RIght initiative for training and accreditation and an additional $984,000 to support start-up and innovative programs.

South Carolina provided $2.4 million for caregiver training, provider grants and incentives, technical assistance, books and resources, and consumer education. The state is currently working with three child care resource and referral agencies to develop a pilot project to expand their services to underserved counties.

South Dakota increased funding for quality to $1.1 million. The state used the funds to provide training opportunities facilitated by WestEd trainers, specialized infant/toddler training, incentive grants for participation in the training, and technical assistance from licensing staff in communities with interest in expanding the availability of child care. It also included Title XX Social Services Block Grant funding in the state's child care program in order to allow for-profit child care centers to participate in the USDA Child and Adult Care Food Program (CACFP).[12] The Governor's Office and the Office of Child Care hosted an early brain development training for 44 participants (department heads and community leaders from across the state) and a half-day session for 65 policymakers. South Dakota established a professional development system for early care and education providers as well.

The state also formed a partnership with the Office of Child Care and Emergency Medical Services to provide first-aid training for child care providers. In addition, the Office of Child Care Services staff facilitated work with 60 different communities involving at least 95 projects focused on developing programs to meet growing child care demands. Projects include work with the Governor's child care facilities program as well as new construction and renovation. Technical assistance is available for community needs assessments, start-up and licensing procedures, programming, basic business practices, and management. The Office of Child Care Services, in collaboration with the Governor's Office of Economic Development and the Housing Authority, helped establish 23 group family child care programs using child care facilities constructed by prison inmates.

Tennessee launched a comprehensive community education campaign on quality child care called "Jump Start Their Future By Choosing Quality Child Care." The campaign was aimed at helping consumers and the community identify and understand the key components of quality child care, enabling parents to select quality care, and enhancing community partnerships that support children. The comprehensive campaign included educational materials (brochures and bookmarks with a quality checklist), radio and television announcements, billboards, newspaper advertisements, and a video.

Texas allocated funds to ensure screening for vision, hearing, and special communication disorders for children in child care and expanded funding for resource and referral services.

Utah implemented a new grant program to offer incentives for providers to care for children with special needs and performance standards for regional resource and referral agencies.

Vermont allocated funds to support a $130,000 bonus for child care programs at the time of their accreditation and at each anniversary of their accreditation retention.

Washington dedicated over $2 million for local quality enhancement grants. The state also expanded funding for quality initiatives, including child care resource and referral, the WA Stars training and registry program, a career and wage ladder, and projects to strengthen health and child care linkages. In addition, the state allocated funds to integrate Healthy Child Care Washington into the state early childhood and youth care and education system and to support two statewide health and child care liaisons (an independent nurse consultant and a child care consultant in the Child Care Resource and Referral Network). The state also allocated $1 million in TANF block grant funds for the Child Care Micro-loan Project. The project is a partnership among local lending institutions, resource and referral agencies, the state, and child care providers. The goal of the project is to provide loans of approximately $5,000 for family child care homes and up to $25,000 for child care centers to make quality improvements. At least 15 to 20 percent of the loans are designated for family child care homes, with the rest available to centers.

West Virginia allocated new funding for start-up grants of up to $10,000 to support new centers or expand infant care; increased funding to support the state's School Day Plus program; continued support of child care resource and referral agencies; increased funding for the Child Care Apprenticeship program in its 10th year of operation; supported start-up grants to state and local family child care associations; funded grants to cover the cost of accreditation and to support technical assistance to programs seeking accreditation; supported a collaborative state-level early childhood conference; and provided funding to initiate the Early Childhood Training Calendar and to implement the West Virginia Early Childhood Professional Development System, which consists of a career ladder, training registry, trainer/training approval process, and core competencies, and which includes all early childhood programs—Birth to Three, Child Care, Early Intervention, and Head Start.

Wisconsin increased quality funds by $16 million. A portion of new funding ($7.5 million) was allocated to support the Early Childhood Excellence Initiative, which will establish state-of-the-art Early Childhood Excellence Centers in low-income neighborhoods. The initiative includes parent education, provider training, and grants to child care. Increased quality funding was also used to provide start-up, expansion, and improvement grants through the state resource and referral network. Other uses of the funds will be to expand state-funded Head Start and Early Head Start and to implement a safe child care project to increase the number of site visits to certified providers' homes. The campaign provides technical assistance to certified child care providers serving children receiving child care assistance as well.

Wyoming increased funds for child care licensing and resource and referral services. The state also obligated funds to establish a system to award and track training hours for child care providers.

TRAINING AND COMPENSATION

Research has demonstrated that the quality of a child's interactions with their caregivers is one of the most important determinants of the quality of care that children receive. This critical factor, in turn, depends on caregivers having adequate professional training and development.

It is clear that much improvement in provider training is needed. However, training by itself is not enough to ensure a stable and educated work force. Without investments to improve wages and benefits, the most well-intentioned training effort will not ensure that child care programs will be able to recruit and retain qualified staff. A major study of the child care workforce found that more than one in four child care teachers and 39 percent of assistants left their jobs over the course of a year.[13] This high level of turnover is caused in large part by the low wages of child care providers and their lack of health insurance and other benefits. The problem has been exacerbated in recent years as the good economy and demand for more public school teachers has made it easier to get higher paying jobs elsewhere.

To address these issues and help improve the quality of care, states must take a comprehensive approach to improve wages and benefits for child care providers, following the model of North Carolina's T.E.A.C.H. Early Childhood® Project. T.E.A.C.H. is an umbrella for various scholarship programs that encourage providers to receive additional training and education and to work towards a child care credential. Child care providers who agree to complete a specified amount of education receive a scholarship that covers a large share of tuition, book and travel costs, and paid release time in some cases. Caregivers then receive additional compensation in the form of a raise or a bonus if they commit to continue working in their child care program for a specific period of time. This initiative has successfully increased the pool of

trained providers and encouraged more teachers to stay in the child care field. As of 1999, 13 states had adopted (or had concrete plans to adopt) the T.E.A.C.H. model directly or T.E.A.C.H.-like programs.

T.E.A.C.H., however, does not recognize providers who have already attained increased education nor does it provide health insurance or other benefits. Last year, **North Carolina** took action to address both of these gaps. The state enacted the Child Care WAGE$™ program to supplement the salaries of child care center providers, directors, and family child care providers by rewarding individuals who have already attained higher degrees or credentials. In its effort to provide health insurance to child care staff, North Carolina followed the pathbreaking effort by **Rhode Island**, which in 1996 began making its state medical and dental insurance plan available to providers serving children receiving child care assistance.

New State Action 1999: State by State Details

Alaska eliminated state funding for provider training and individual reimbursements for education and training ($200,000) and allocated Head Start Collaboration Grant funding for Alaska Partners to develop a career lattice and credentialing system.

Arizona authorized funding for a consultant to assist in the development of a strategic plan for the Arizona Statewide Career Development System for Child Care and Early Education. Components include research and development of the following: core knowledge elements and core competencies; a level system that identifies entry points and movement through the professional development system; systems for assessing a person's placement in the professional development system; and registry systems for trainers and participants.

Arkansas initiated an effort to develop professional training and increased funding for Child Development Associate (CDA) scholarships. In addition, its professional development workgroup established a career lattice for child care providers.

Connecticut expanded the Connecticut Charts-A-Course program and the Accreditation Facilitation Project. Connecticut Charts-A-Course is a comprehensive and coordinated training system of career development for early care and education practitioners. The program includes a computerized personnel registry system, a training approval board, an early childhood education articulation plan, a training support fund, and accreditation facilitation projects. Through these efforts, the state hopes to enable professionals to have formal documentation of their training and career progress, create standards for training activities, provide access to quality training, create "Career Pathways," reduce financial barriers to training for providers, and ensure high quality programs.

Delaware developed a training package to assist workers in obtaining a CDA and linking to college credit at higher education institutions in the state.

The District of Columbia implemented several new training and compensation initiatives, including: the Compensation and Retention Task Force of the Mayor's Advisory Committee on Early Childhood Development; a program to provide a $100 bonus for persons who obtain a credential; the hiring of a professional development coordinator; and operation of the Institute for Early Childhood Leadership Development at the University of the District of Columbia. The city also changed licensing regulations to require in-home and relative providers to obtain six clock hours of training a year and independent family child care providers to obtain 10 hours of training.

Florida expanded funding for the T.E.A.C.H. program to $3 million. The state also passed the Gold Seal legislative package, which included increased training requirements for all center-based staff (from 30 hours to 40 hours) and for family child care providers (from three hours to 30 hours), as well as a new credential requirement for all child care center directors. The state will also study strategies for making health insurance available to providers.

Georgia supported several new training initiatives, including: statewide training on brain development; new family child care training regarding rules and regulations; and WestEd training and the development of a formal infant care curriculum. The state also funded a project to support the formalization of credit courses at technical schools that can be transferred to two-and four-year colleges. The Advancing Careers through Education and Training (ACET) program was expanded as well. ACET develops articulation agreements among community-based provider training programs, technical schools, and colleges. ACET's database tracks training that providers complete.

Idaho awarded $25,000 to begin a T.E.A.C.H. program. Scholarships will be available for college classes as well as the CDA credential program. Participants will receive a salary increase through either a raise or bonus after completion of their contract. In addition, infant, school-age, alternative-hour, and outreach training was made available.

Illinois increased funding for the T.E.A.C.H. initiative by $1 million in 1999 to bring total funding to $2.4 million.

Indiana allocated $1.5 million ($3 million more over the biennium) to expand the state's T.E.A.C.H. initiative. In addition, the Indiana Child Care Fund, together with T.E.A.C.H. and the Indiana Department of Workforce Development, will conduct a child care workforce study during the next 12 months. The study will be used as the Indiana Child Care Fund develops a public policy agenda, which will involve, among other efforts, working together with T.E.A.C.H. and the Indiana Children's Health Insurance Program to address health care benefits for child care providers. The Indiana Child Care Fund, in cooperation with the Division of Families and Children, is in the first stage of development of the Web-based Education for Child Care Providers project.

Iowa formed a leadership council to develop a proposal for a statewide training and development system.

Kansas provided funds for consultants to help facilitate the organization of the Early Care and Education Professional Development Initiative of Kansas. Committee projects include: development of continuing education units for early care and education; articulation with community and state colleges; development of a training system for child care providers; and establishment of core competencies and a career lattice.

Louisiana developed a career ladder and certification system for child care personnel and trainers, but it has not been implemented.

Maine allocated $150,000 for scholarships through the Quality Child Care Education Scholarship Fund.

Maryland awarded new funding to support training, mentoring, and technical assistance targeted at improving the quality of infant/toddler care. In addition, the state funded four projects to provide outreach to informal child care providers to improve the quality of care. The Maryland Credentialing Project began its initial planning phase to develop strategies for supporting providers in their professional development efforts.

Massachusetts created three distance learning courses to be used to train providers in infant/toddler child care, school-age child care, and services to children with disabilities. The state plans to spend $1 million from a one-time reserve fund for professional development of providers. In addition, the state increased funding for child care resource and referral agencies by $3.5 million, of which a large portion will be used to offer additional training to providers. The state is also funding professional development awards to non-profit child care providers through the license plate fund, "Invest in Children."

Michigan provided incentives for credentials and accreditation, including $150 for a CDA or accreditation through the National Association for Family Child Care (NAFCC) and $500 for accreditation through the National Association for the Education of Young Children (NAEYC) or National School Age Care Alliance (NSACA).

Minnesota reduced state funding for loan forgiveness, mentoring and apprenticeship programs, but used federal CCDBG dollars to continue mentoring and training programs and to increase total funding for the loan forgiveness program to $1 million from $250,000.

Mississippi continues to fund the Director's Child Care Credentialing Project and has over 450 graduates of the 130-hour course in best practices in child care management. A child care academic scholarship program is being implemented at 20 community college sites that offer the child care technology associate degree. In another effort, the state's lead agency director has initiated quarterly meetings with licensed child care center directors serving CCDBG families, thereby improving communication, encouraging cooperation with the state's designated agents in charge of issuing certificates, and increasing understanding of the requirements of the program.

Missouri initiated a research study of provider qualifications and training needs. The Governor's roundtable has also encouraged state colleges to offer CDA programs.

Montana implemented a voluntary early care and education practitioner registry that allows providers to submit documentation that evaluates their experiences, education, and training and places them on a career path, ranging from beginner to a doctorate

in early education. The registry also generates certificates announcing the provider's level that can be displayed in their facility. The program is intended to encourage providers to pursue training as part of the career initiative. The state also implemented a new trainer directory to identify trainers in specific content areas. The training approval system identifies training events offered statewide. Training approval is granted by the Montana Early Childhood Project, which coordinates the career development system. In addition, the state awarded grants to four higher education institutions to help build their early childhood programs and increase the supply of education programs. Funds were also made available for scholarships to support NAFCC, NAEYC, and CDA assessments, early childhood college course work, and graduate degree scholarships to help increase the supply of qualified trainers. The scholarships are supported through the Best Beginnings Quality Improvement Funds. In addition, the state expanded merit pay, established two scholarship programs for CDA or higher credentials, including two stipend programs for master's degrees in early childhood, and established mentoring programs in Bozeman, Missoula, Glendive, and Malena.

Nebraska now serves all counties through 14 regional training grants. Grantees receive CCDBG funds to support coordination of training and professional development opportunities that meet the needs of early childhood care and education providers in home-, center-, and school-based programs. Center directors, assistant directors, and family child care home providers who serve children whose care is subsidized are eligible for reimbursement of tuition and transportation expenses for a 46-hour training on the management of child care settings. The state also provides financial support for the out-of-pocket expenses for the site visits required for accreditation by NAEYC or the National Association for Family Child Care (NAFCC). Once accredited, child care centers and family child care homes are eligible for higher state reimbursement rates.

Nevada allocated funds to support scholarships for WestEd training as well as college courses.

New Hampshire enacted legislation to create a professional credentialing program for child care providers. The state also contracted with Wheelock College to provide a two-credit, weeklong course for child care center directors.

New Jersey provided $400,000 for the Professional Development Center for Early Care and Education at Kean University to support a statewide system of coordinated and accessible professional development opportunities for child care workers and the development of planning strategies to provide greater upward mobility for caregivers. In addition, the state implemented the New Jersey Early Childhood Scholarship Program, providing an additional $2 million in education scholarships for early childhood practitioners working in licensed child care centers that contract with Abbott school districts or other districts receiving State Early Childhood Program Aid (ECPA). Scholarships are available for the CDA program, the Certified Child Care Professional (CCP) program, and college courses leading toward associate's or bachelor's degrees in early childhood education. The Department of Human Services has also allocated $1 million to reimburse substitutes for staff who are in training or participating in the state's scholarship program. In another step, the

state created the Task Force on Early Childhood Education Programs to develop and submit recommendations for developmentally appropriate standards/expectations that will ensure uniform, high quality early childhood programs. The findings of the 21-member group included a recommendation that the Governor support a separate teaching endorsement for preschool to third grade. The Governor accepted the recommendation and requested the Department of Education to propose the new credential to the State Board. Subsequent proposed code changes include: 1) effective September 2001, all newly hired teachers of students in preschool through grade three in the Abbott districts who hold a bachelor's degree will be required to obtain the new preschool-through-grade-three endorsement; and 2) by the year 2004, newly hired teachers in Department of Human Services-licensed community-based child care centers, who hold an associate's degree in early childhood education, will be required to have completed a bachelor's degree program and obtain the new preschool-through-grade-three endorsement.

New Mexico's AIM High program will provide training, technical assistance and consultation to enrolled subsidized programs through the state-supported technical assistance and training programs (child care resource and referral agencies).

New York's educational incentive program (EIP) provides scholarships to child care professionals to encourage them to invest in credit-bearing or credential-related education and training. Child care professionals are eligible for up to the equivalent of nine college credits per year or $950. Early longitudinal studies of the program show markedly increased retention rates for those receiving scholarships and over 45 percent of the participants reporting an increase in wages/income due to the increased educational levels they attained using EIP scholarships. The EIP program also covers the final CDA assessment cost of $345 for applicants who have successfully completed all other requirements for the CDA.

North Carolina expanded two existing pilot projects under the T.E.A.C.H. umbrella. Known collectively as NC Cares, the programs will offer wage supplements and health insurance for providers who make a commitment to education. These programs are funded by $4.1 million in state funds and $2.3 million in federal funds. The T.E.A.C.H. Health Insurance Program helps fund the cost of health insurance for individuals working in child care programs that have made a commitment to supporting the education and compensation of their staff. Child care providers are eligible to have up to one-third of the cost of individual health insurance coverage reimbursed through a special fund, if they meet the conditions of the program. Any child care programs that have staff members participating in the T.E.A.C.H. Early Childhood® Associate, Bachelor, or Model/Mentor Teacher Scholarship Programs are eligible to participate. The number of staff members who have to participate in the T.E.A.C.H. Early Childhood® project in order to qualify varies depending on the size of the center. A center must agree to cover at least one-third of the cost of an individual health insurance plan for each eligible employee, but centers may choose to cover both the center and individual share of the program. Programs must apply to the Child Care Services Association to participate. The Child Care WAGE$™ Project supplements the salaries of child care center providers, directors, and

family child care providers by rewarding individuals who have already attained increased education. The size of the supplement depends on the amount of education received, but ranges from $200 to $3,000 per year.

Oklahoma adopted and piloted the Entry Level Child Care Training curriculum and developed the Consultant/Trainer Registry through its Center for Early Childhood Professional Development. The funding for the Center was increased to $2.2 million to include an accreditation support project, with funding for technical and financial assistance to programs seeking accreditation. In addition, the state has awarded an $800,000 contract for the implementation of the T.E.A.C.H. scholarship program. Over 2,000 providers attended satellite training, 1,219 received tuition scholarships, 402 were approved for credential assessment scholarships, and 3,704 used vouchers to attend statewide child care conferences. Two contracts were awarded for the provision of training and on-site technical assistance for providers caring for children with disabilities. Child care providers received subscriptions to *The Oklahoma Child Care Journal, Child Care Information Exchange, Healthy Child Care America*, and *Everyday TLC*.

Pennsylvania expanded a T.E.A.C.H. pilot established in 1998 for child care center staff by beginning a program that includes some family child care homes.

Rhode Island appropriated an additional $700,000 for training, compensation and accreditation initiatives. The state also implemented an expansion of the state's RIte Care health coverage plan to include staff of centers serving children receiving child care assistance.

South Carolina implemented or expanded several training and compensation initiatives, including a photo identification system that electronically transmits student training records to a central personnel registry; an expansion of the discounted ABC-credential training rates to all participants statewide; a salary bonus program for providers who complete the 30-hour or 60-hour ABC Child Care Credential; a consumer initiative through Success by Six of the Midlands to recognize quality levels of child care providers with color-coded certificates suitable for framing; a 12-hour video series, "How to Start a Day Care Center," to train 615 potential providers statewide; and a pilot mentoring program (ABC-To-Go) at Horry-Georgetown Technical College to extend the benefits of on-site visits to child care programs, model appropriate activities and interactions with children, and provide one-on-one mentoring.

South Dakota increased support for the Early Childhood Enrichment Training System and expanded CDA training by adding more school sites. In 1999, 164 post-secondary students were enrolled in training in South Dakota via the regional Early Childhood Enrichment Training System established by the Governor in 1997. Evening and weekend classes are held to accommodate the schedules of early childhood practitioners. Enrollment includes child care providers, child care center directors, and TANF parents pursuing a career in early childhood. Family and Consumer Science teachers also conduct CDA classes for high school students. Scholarships are available through a collaborative effort between the Department of Social Services and the Department of Education and Cultural Affairs.

Tennessee expanded the Tennessee Early Childhood Training Alliance (TECTA), a professional training and recognition system for child care providers statewide. The state also included a provider incentive/benefits and compensation program to provide financial and professional support for child care providers completing various levels of TECTA training. Child care licensing fees were appropriated by the General Assembly to be used for training and other quality activities. The state also made funds available to broker agencies, which administer the child care assistance program, to provide training to the agencies with which they work. In addition, the state is funding child care resource centers across the state to provide other training support.

Texas approved funding for a scholarship and wage supplementation program. The Texas Workforce Commission will develop and administer a program to award $1,000 scholarships to assist eligible recipients in paying expenses associated with obtaining a CDA, Certified Child-Care Professional (CCP) credential, level one certificate, or associate's degree in child development or early childhood education. To be able to receive a scholarship, a person must: be employed in a child care facility; intend to obtain one of the approved credentials, certificates, or degrees; agree to work in a child care facility for at least 18 additional months; and satisfy any other requirements adopted by the Commission. The legislation also provides for the possibility of a joint bonus or wage supplementation from the state and employer to a recipient who cares for children in the same facility for at least 18 months after receiving the scholarship. The state passed legislation authorizing student loan repayment as well, but has not yet funded the initiative. In addition, legislation will require one hour of provider training focused on shaken baby syndrome and infant brain development.

Utah implemented a five-tier career ladder with financial compensation/awards for the completion of career training goals.

Vermont set aside $91,000 to provide $1,000 bonuses to individuals upon receipt of a degree and employment in a licensed or registered care program; $150,000 for a mentoring program for home-based child care providers; and $75,000 for training to work with children with disabilities.

Virginia is cooperating with school-age child care advocates on a project to develop training for school-age providers through state community colleges.

Washington committed $4 million towards a center-based child care provider career wage ladder that involves 100 centers across the state. Center staff will receive a $.50 per hour wage supplement for increased education and training. The state also expanded funding for the new WA Stars training registry system and dedicated $250,000 for the development of a basic 20-hour in-service training video series for family child care providers.

West Virginia made plans to institute a differential pay scale based on training levels and increased standards. It also implemented a training registry, increased funding for the Child Care Apprenticeship program in its 10th year of operation, and funded grants to cover costs of accreditation and to support technical assistance for programs seeking accreditation. It provided funding to initiate the Early Childhood Training Calendar and to implement the West Virginia Early Childhood Professional Development System.

which provides a career ladder, a training registry, a trainer/training approval process, and core competencies, and pulls together all early childhood programs—Birth to Three, Child Care, Early Intervention, and Head Start. In addition, the state co-sponsored the second annual Celebrating Connections conference. The conference was jointly sponsored by Part C, Head Start, and Child Care and Part B of the state Department of Education. Forty-four scholarships were presented to attendees through a grant from the Governor's Cabinet. The state also supported scholarships for five family child care providers to attend the National Family Child Care Conference.

Wisconsin implemented its T.E.A.C.H. Early Childhood Scholarship and Compensation Program, targeting infant and toddler care. Teachers and family child care providers receive scholarships to earn a 12-credit infant and toddler credential and center administrators receive a scholarship to earn an 18-credit administrator credential. Participants are eligible for a $250 to $500 bonus upon completion of a one-year commitment to the job. In addition, participants are eligible to apply for the Mentor Addendum scholarship to earn an additional two credits in mentoring.

Table 5.
June 1, 1999 Snapshot:
States with T.E.A.C.H.* or T.E.A.C.H.-like Initiatives

State	Does the state have a T.E.A.C.H. or T.E.A.C.H.-like initiative?
Alabama	No
Alaska	No
Arizona	No
Arkansas	No
California	No
Colorado	Yes
Connecticut	No
Delaware	No
District of Columbia	No
Florida†	Yes
Georgia	Yes
Hawaii	No
Idaho†	Yes
Illinois†	Yes
Indiana†	Yes
Iowa	No
Kansas	No
Kentucky	No
Louisiana	No
Maine	No
Maryland	No
Massachusetts	No
Michigan	No
Minnesota	No
Mississippi	No
Missouri	Yes (in planning process)
Montana	No
Nebraska	No
Nevada	No
New Hampshire	No
New Jersey	No
New Mexico	No
New York	Yes
North Carolina†	Yes
North Dakota	No
Ohio	No
Oklahoma†	Yes (in planning process)
Oregon	No
Pennsylvania†	Yes

continued on the next page

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Table 5.
June 1, 1999 Snapshot:
States with T.E.A.C.H.* or T.E.A.C.H.-like Initiatives *(continued)*

State	Does the state have a T.E.A.C.H. or T.E.A.C.H.-like initiative?
Rhode Island†	No
South Carolina	No
South Dakota	No
Tennessee†	No
Texas†	No
Utah	No
Vermont	No
Virginia	Yes (in planning process)
Washington†	No
West Virginia	No
Wisconsin†	Yes
Wyoming	No

* T.E.A.C.H. is an umbrella for various scholarship programs that encourage providers to receive additional training and education and to work towards a child care credential. Child care providers agrees to complete a specified amount of education to receive a scholarship that covers a large share of tuition, book and travel costs, and paid release time in some cases. Caregivers then receive additional compensation in the form of a raise or a bonus and agree to continue working in their child care program for a specific period of time.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

Source: Information in this table is based on phone interviews with Susan Russell, Child Care Services Association, North Carolina, November 1999.

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INFANT AND TODDLER CARE

In 1998, nearly three out of five children under the age of three (approximately 6 million infants and toddlers) had mothers in the labor force. The first three years of life represent a significant stage in a child's development. As a result, high quality caregiving is particularly important for babies and toddlers. Yet, parents struggle in almost every community to find affordable, much less quality, child care for their young children. Child care resource and referral programs across the country report serious shortages of infant and toddler care. The lack of good quality child care options for families is compounded by the fact that many parents do not have access to paid family leave benefits that would allow them to stay home with their infants during the first months after childbirth or adoption. Only five states allow mothers to use temporary disability benefits for partial wage replacement before and after childbirth.

In 1999, states continued to take advantage of a $50 million set-aside of the Child Care and Development Block Grant (CCDBG) to fund new initiatives to support infant and toddler care. States added infant and toddler health or mental health specialists to resource and referral agencies, raised rates for infant/toddler care, expanded the supply of infant care, invested in Early Head Start, targeted additional funds for child care assistance for families with infants and toddlers, and expanded training and technical assistance.

NEW STATE ACTION 1999: STATE-BY-STATE DETAILS

Alaska earmarked $102,000 for a mini-grant program for providers who agree to take specific courses on infant and toddler care and who increase their infant and toddler capacity by at least one slot.

Arizona invested infant/toddler funds in multiple quality improvement projects (such as site-based training, curriculum development, and developmentally appropriate equipment and materials) and in statewide comprehensive training of infant/toddler caregivers utilizing nationally recognized curricula.

Arkansas earmarked funds to encourage state accreditation for infant and toddler care.

California expanded funding for subsidized child care for infants and toddlers by $10 million over six months, for an annualized total of $20 million. The state also established four regional infant/toddler forums to promote quality and six model infant/toddler sites at community colleges, and expanded the California Child Care Initiative Project (a resource and referral, recruitment and training program) by $1.5 million to be administered by the resource and referral network in 37 areas.

Connecticut increased the number of contracted child care center spaces for infants and toddlers by 286.

Delaware developed a 15-hour curriculum for providers of infant and toddler care.

The District of Columbia increased reimbursement rates for infant care by $10 a day to approximately $31 a day and revised infant and toddler licensing requirements.

Florida hired 25 infant and toddler specialists in resource and referral agencies and provided WestEd training. The state will also host two Institutes for Excellence to focus on improvements in infant and toddler care.

Georgia offered statewide training on brain development and provided new funding for WestEd training for providers and for the development of a formal infant care curriculum.

Illinois implemented a 10 percent infant/toddler supplement for centers where a large proportion (at least 25 percent) of the children served are infants and toddlers.

Indiana funded a one-week WestEd infant and toddler course for 75 trainers. The state also transferred a portion of TANF block grant funds to expand Healthy Families Indiana to all 92 counties. Healthy Families offers real-life programming and training to help new parents be better parents. This expansion allows the program to double the number of families served.

Kansas allocated funds to hire infant and toddler specialists in each of the state's 16 child care resource and referral agencies. The specialists will provide training, technical assistance and consulting for infant and toddler caregivers.

Kentucky significantly increased the infant and toddler rates for licensed and certified providers (by as much as 20 to 35 percent in some areas).

Maine approved legislation to stimulate the supply of certain types of child care often in short supply, including infant/toddler care. Incentives can include higher rates of reimbursement.

Maryland awarded new funds to improve the quality of care for infants and toddlers through training, mentoring, and technical assistance.

Massachusetts set aside funding for the creation of new infant and toddler child care slots. In addition, the state targeted federal funds to support the development of an infant and toddler distance learning course to train providers who need a flexible training program.

Michigan earmarked funds for the purchase of satellite training courses and training videos, the purchase of READY (Read, Educate, and Develop Youth) Kits for child care providers and child care staff to use during home calls, the creation of additional infant/toddler training slots, and the hiring of three mental health consultants who will concentrate on concerns involving infants and toddlers in child care.

Minnesota used the federal CCDBG infant/toddler set-aside to fund recruitment and retention incentive grants that required participation in state-subsidized infant/toddler training. The training used the Far West/Laboratory curriculum, "Program for Infant/Toddler Caregivers." Child care resource and referral programs administered the infant/toddler incentive and training grants.

Mississippi initiated the pilot project for the Infant Care Expansion Program (ICEP), committing $2 million in FY 2000 for licensed centers wishing to serve additional infants or to add an infant program. Subgrants can be used for compensation for one or more caregivers (depending on the number of additional infants in the approved project), infant supplies, and minor renovations necessary for compliance with licensing standards.

Missouri implemented a differential infant and toddler reimbursement rate. The state also plans to expand Early Head Start by leveraging state money from the new Early Childhood Development Education and Care Fund created with proceeds from gaming revenues.

Montana implemented a pilot project linking compensation and training for infant/toddler care providers. The state also used federal infant/toddler set-aside funds to train WestEd trainers.

Nebraska continued to develop FIRST CONNECTIONS, a multi-media curriculum focused on infants and toddlers. Six Early Head Start programs received more than $20,000 each to improve the quality of care for infants and toddlers in licensed centers and homes and unlicensed programs. Early Head Start pays costs for training, substitutes, support groups, and other activities that promote higher quality care.

Nevada set aside funds for infant/toddler slots and WestEd training and college scholarships for infant/toddler classes.

New Hampshire awarded grants to support providers serving infants and toddlers with disabilities and to offer drop-in care for clients who are visiting the district social service/TANF office.

New Jersey made initial awards to six county-based child care resource and referral agencies as part of a $1.4 million initiative to create a statewide system for health consultation in each of the state's 21 counties. Funds will be used to hire a registered nurse to perform an evaluation of health care services available to child care programs serving infants and toddlers. The initiative will implement programs for meeting the emotional, social, and physical needs of all enrolled children, including those children identified as having special needs. The state has also allocated $68,000 for the First Step Training Project to provide consultants, who

will conduct observations, demonstration teaching, and small or large group training during child care center site visits. An additional $125,000 will be used to establish the Child Care Warm Line. Child care center staff, family child care providers, and parents may telephone a registered pediatric nurse to receive information about health-related issues or referrals to other available community resources. Information will be provided based on established protocols and limited to conditions not requiring the involvement of a physician. Through an open competitive grant application process, the state also made $500,000 available to registered family child care providers to establish new licensed mini child care centers.

New York targeted federal funds to support the development of infant and toddler coursework leading to a 12-credit-hour certificate of completion and invested in additional video conferences and a non-credit training curriculum. The state also created an incentive grant program for centers that serve infants and toddlers and that are interested in seeking accreditation.

North Carolina established a health consultation initiative targeted to providers of infant/toddler care. The initiative will make it possible for more health consultants to work with child care facilities to help them identify potential health and safety risks and to develop a plan to make improvements. Through the effort, child care providers will also be able to apply for grants to help them achieve their health and safety goals and improve the overall quality of care for infants and toddlers in their facilities.

Oklahoma allocated $2.7 million to implement the First Start program, providing high quality care for 458 children birth to age three. Programs must meet Head Start performance guidelines and become accredited within one year. The state also sponsored two infant/toddler training conferences attended by over 400 caregivers. In addition, the state funded six family child care home networks to recruit, screen, train, and support 75 homes focusing on infant care, care for children with disabilities, and care during non-traditional hours.

Oregon awarded approximately $120,000 to a statewide mentoring project to provide training for 51 mentors and an additional 350 mentees.

Pennsylvania targeted funds to support special initiatives for infant/toddler training programs and quality improvements to infant/toddler care.

Rhode Island set aside $984,000 to support start-up and innovative programs and which can be used to increase the supply of infant and toddler child care slots.

South Carolina surveyed current subsidized child care providers to determine their basic qualifications and assess their interest in implementing, expanding, and raising the quality of infant and toddler programs. The state also awarded grants to start or expand quality infant and toddler care in enhanced or accredited centers. It launched a pilot program to identify and provide on-site technical assistance to self-arranged or informal providers in certain regions of the state. Technical assistance will include an introductory visit to review ABC Voucher System billing and attendance procedures and health and safety issues, and to distribute items such as fire extinguishers, smoke detectors, first-aid kits and charts, and outlet caps. Self-arranged providers will be assisted in improving the quality of care and those

interested in becoming registered as a family day care home will be identified.

South Dakota expanded technical assistance offered through licensing staff and regional early childhood enrichment centers for infant and toddler and prekindergarten programs. In addition, the Bush Foundation awarded a grant of $1,762,143 to the state to increase the number of infant and toddler training opportunities for child care providers, with an overall goal of improving the quality and availability of infant and toddler care. To date, 416 training sessions have been held with 1,367 child care providers attending in 54 communities across the state. Rates were also increased for the CCDBG child care assistance program for children from birth to age three. Depending on the type of care and location, increases ranged from 10 to 40 cents per hour.

Tennessee added an Infant and Toddler Orientation module to its Tennessee Early Childhood Training Alliance (TECTA) program. TECTA is a statewide professional training and recognition system for child care providers. The training, which is sponsored by the Department of Human Services and the Tennessee Board of Regents, offers a spectrum of training from CDA preparation to advanced degrees in early childhood education.

Texas passed legislation to require local workforce boards to allocate a portion of their quality CCDBG funds to a competitive procurement system that encourages child care providers to meet voluntarily the designated vendor program or national accreditation criteria for children under age four.

Virginia still has not released $1 million in unspent grant money for FY 1998 for infant and toddler care.

Washington expanded its Baby/Toddler initiative, which focuses on provider recruitment (through resource and referral agencies), health consultation (through local health jurisdictions), and brain research training. Funds were increased to expand the number of participating local health jurisdictions. In addition, local "Brain Squads" (speaker's bureaus) were trained and established in 34 communities statewide to provide training and public awareness about brain research and its implications for child growth and development. Target audiences include parents, health care providers, service clubs, faith organizations, PTAs and other school groups, child care providers, caseworkers, and local media outlets.

West Virginia allocated funds for start-up grants of up to $10,000 for new centers or to expand infant care.

Wisconsin implemented its T.E.A.C.H. Early Childhood Scholarship and Compensation Program. Teachers and family child care providers receive scholarships to earn a 12-credit infant and toddler credential and center administrators receive a scholarship to earn an 18-credit administrator credential. Participants are eligible for a $250 to $500 bonus upon completion of a one-year commitment to the job. In addition, they are eligible to apply for the Mentor Addendum scholarship to earn an additional two credits in mentoring.

Wyoming allocated funds to provide infant and toddler training while eliminating the requirement that nurses be placed in centers providing infant/toddler care. A provider can attend one day of training and be certified to offer infant and toddler care.

SCHOOL-AGE CARE

The majority of school-age children have parents who work and need safe and supportive places to be during their out-of-school hours. It is clear that self-care places children at greater risk for school failure, risk-taking behaviors, and violence. The rate of juvenile violence is highest in the after-school hours between 3 p.m. and 7 p.m. and juveniles are more likely to be the victims of violent crime in the hour after the end of the school day than at any other hour of the day.[14] Constructive after-school activities cannot only protect children from harm, but can also help children get the extra boost they may need to succeed in-school while providing opportunities for new creative or recreational experiences.

Poll after poll has shown that the public overwhelmingly supports investments in after-school care. A September 1999 Mott/JCPenney survey found that 92 percent of voters believe that there should be some type of organized activity or place for children and teens to go every day after school. A poll conducted in August 1998 found that four out of every five respondents were willing to pay an additional $10 per year in taxes to fund after-school programs in their communities. This support crosses party lines and is equally strong among parents and non-parents.

Several states, including **California**, **District of Columbia**, **Illinois**, **Maine**, **Maryland**, **Massachusetts**, **New Jersey**, **New York**, and **West Virginia** began new school-age initiatives or made noteworthy increases in existing school-age programs while others earmarked CCDBG or other funds to expand school-age care. Investments were also made to support accreditation for school-age programs as well as in additional strategies to improve the

quality of school-age care. **Maine** joined **Rhode Island** in extending eligibility for school-age subsidies to youth from 12 to 15 years of age. Unfortunately, both **New Mexico** and **Wyoming** cut funding for school-age care.

New State Actions 1999: State by State Details

Alaska earmarked $38,000 to explore a certification process for all providers who offer school-age care.

Arizona implemented a 10 percent rate differential for nationally accredited school-age programs.

Arkansas earmarked funds to expand school-age care, support regional trainings, and publish a bi-monthly "Help and Hints" report for school-age programs. The state also implemented new collaborative agreements with TANF and the State Department of Education to earmark funds for school-age activities.

California appropriated an additional $35 million to expand funds for the After-School Learning and Safe Neighborhoods project enacted last year (bringing the total investment to $85 million).

Connecticut allocated funds to support the Connecticut School-Age Care Alliance in building its membership and infrastructure. The state is also: assessing the expansion of its Statewide Accreditation Facilitation Project to include an enhanced accreditation facilitation project specifically for school-age providers; funding the curriculum development and training for a school-age children development associate credential; and planning to require (in program year 2000–2001) all school-age providers contracting with the Department of Social Services to begin and achieve the National School Age Care Alliance (NSACA) accreditation within two years as a condition of continued funding.

The District of Columbia allocated $15 million for a city youth initiative. However, the program has not yet been implemented.

Georgia initiated contracts with Boys and Girls Clubs to expand and/or develop programs outside metropolitan areas.

Illinois increased funding for after-school programs from $7.4 million to $18 million.

Maine approved an additional $1 million in funding for school-age slots. Beginning in FY 2000, the state will also provide $500,000 to serve children ages 12 to 15 via 11 regional pilot sites. In taking these steps, the state must use its own funds, since federal law only allows CCDBG funds to be used for children up to age 13.

Maryland enacted the Maryland After-School Opportunity Act, which requires the establishment of the Advisory Board on After-School Opportunity Programs. The Board must include: the Governor, the President of the Senate, the Speaker of the House, the State Superintendent of Schools, the Secretaries of Health and Mental Hygiene, Juvenile Justice, and Human Resources, the Special Secretary of the Office for Children, Youth and Families, a representative of the Office of Crime Control and Prevention, and 15 community members including two parents, two advocates, two after-school providers, two students, a teacher,

a family child care provider, a center-based care provider, a local management board member, a local school board member, a parks and recreation representative, and a representative of the special needs community.

Massachusetts allocated $4.3 million for an after-school funding account administered by the Department of Education to support grants for after-school programs and $1 million for the Office of Health and Human Services' Targeted Cities project. The project supports after-school programs at community learning centers in cities with the highest levels of low-income, at-risk youth. In addition, the state set aside funding for the creation of new school-age child care slots and targeted federal funds to support the development of a school-age child care distance learning course to train providers who need a flexible training program.

Minnesota mandated school districts to allow community-based school-age programs to contract for space.

Mississippi developed additional after-school care capacity with subgrants to Head Start, YMCAs, and school districts.

Montana allocated new funds for an effort to coordinate school-age programs statewide. The initial phase will be to collect information and publicize resources and needs.

Nevada set aside funds for school-age resource and referral and individual contracts with school-age programs.

New Hampshire allocated an additional $21,290 for the Plus Time NH program to improve access and services for children with disabilities in school-age programs. Legislation was also enacted to make it easier for school-age programs in public schools to comply with local fire and safety codes.

New Jersey increased funding to $347,000 to develop and expand school-age child care and child care resource and referral services that had been formally funded through the federal Dependent Care Grant. Special emphasis will be given to establishing a database identifying programs operated directly by public schools and creating new information materials on special-needs child care and intergenerational programming. An award of $33,500 was made to the Behavior Development Institute to conduct an in-depth examination of the interplay among adult and child behavior, the classroom environment, and teacher beliefs and motivation in the management of difficult behaviors. The state allocated $400,000 to establish eight Family Friendly Centers for children and young adolescents ages five to 13 years and their families. Located within public elementary and middle schools, these centers will provide daily after-school care and activities and educational, cultural, recreational, and social services through the collaborative efforts of an array of community services agencies and organizations. The state also allocated $500,000 for School-Based Youth Services, which provides ancillary support services in high schools to assist adolescent parents. An annual grant of $131,240 was awarded to establish a statewide training and technical assistance program to promote collaboration and enhance the type and quality of activities available in licensed school-age programs and Family Friendly Centers. A second training and technical assistance grant was awarded to improve services to children with special needs based on strategies developed through the federally funded Map to Inclusion Project. Funds totaling $1 million were also made available to community-based organizations to complete facility improvements and purchase materials for new school-age

programs, including $500,000 to purchase school buses that conform to the National Highway Traffic and Safety Administration safety standards. Vehicles must be purchased by June 30, 2000 and placed into service at the start of the September 2000 school calendar year.

New Mexico eliminated funding for school-age contracts.

New York increased funding for the Extended School Day Safety/Violence Prevention initiative by $5 million (for a total of $20.2 million) and increased funding for Advantage Schools by $4.5 million (for a total of $5 million). The state also invested in the development of a school-age CDA credential.

North Carolina is in the process of implementing an out-of-school time inclusion project that will focus on increasing community infrastructure to support care for children with special needs in child care facilities serving primarily typically developing children; developing more information for parents and providers to help them access financial and other resources for children with special needs; and developing and compiling best practices for expanding the supply and quality of services for school-age children with special needs in inclusive settings.

In addition, administrative rules for a rated license specifically for school-age child care were published during July 1999. If adopted (which could occur during the 2000 legislative session), these rules would create a five-star license for programs serving school-age children, and these providers would be eligible for quality bonus payments. In order to receive a rating of two to five stars, center and home staff must exceed the educational standards required by minimum licensing standards. Federal and state funds have been used to help implement the rated licensing system and to support education efforts. The state also began requiring school-age child care providers to complete classes on developmentally appropriate practice for school-age care. The state had already had in place a requirement that school-age care providers receive seven hours of training; now, however, under the new policy, providers must fulfill this requirement with the seven-hour B-SAC (Basic School-Age Care training), specific coursework sponsored by the state.

Oklahoma used start-up and expansion grants to increase the availability of care for school-age children. It sponsored an annual school-age conference, an institute for public school officials, and leadership training through NSACA. The State Arts Council provided scholarships for 800 low-income children to attend summer arts camps and arranged for 52 artists to visit school-age programs and provide art activities.

Pennsylvania targeted quality improvement funds for school-age care.

Rhode Island set aside funds to support start-up and innovative programming that can be used to expand and improve school-age care. The state also implemented a provision passed the previous year expanding eligibility for child care assistance to children ages 13 to 16 using state funds.

South Carolina provided a grant to the state Department of Education to support before- and after-school care in underserved areas of the state.

South Dakota continued the expansion of the Out-of-School (OST) programs through allocation of CCDBG funds in a grant process begun in 1998. There were 350 OST

slots available during 1997–1998. Two years of a formalized grant process and implementation assistance increased availability to 2,200 slots in 1999–2000. Under the Governor's plan administered by the Office of Child Care Services, 12 new start-up grants were added to the 28 previously funded programs. Start-up grants are designed to continue for three years before programs become self-sustaining at the local community level. The OST initiative provides a wide variety of services, including both start-up and expansion funding, training, program support, technical assistance at both state and regional locations, and leadership in forming a professional development organization affiliated with NSACA. Plans are evolving for an OST credentialing process. Local communities gained greater access to assistance in September 1999 when four OST support specialists were added for regional Early Childhood Enrichment offices and two new licensing development positions were created in the Child Care Services Office. In addition, the Office of Child Care Services has promoted the federal 21st Century Community Learning Center grants through direct communication with local school districts and two interactive training workshops on grant application. Nine successful 21st Century Community Learning Center grantees serve 14 school districts, and receive the same training and technical assistance opportunities available to all state OST programs.

Tennessee added a school-age component to the statewide Tennessee Early Childhood Technical Assistance (TECTA) training requirements and allocated additional funds to increase school-age slots through grants to providers.

Texas passed legislation to implement the Texas School Link Child Care Grant, which funds local school districts to start up and expand before- and after-school programs. Several local workforce development boards have also funded the expansion of school-age programs in local communities through direct care and quality improvement local initiative contracts.

Virginia is cooperating with school-age child care advocates on a project to develop training for school-age providers through state community colleges.

Washington awarded a statewide quality grant to the Washington School-Age Care Alliance/Schools-Out Consortium to fund half-time school-age care specialists in each of the state's six Department of Social and Health Services regions. These specialists will be located in community non-profit organizations.

West Virginia hosted its second statewide school-age conference and substantially increased funding for the School Day Plus program, which offers grants to start and maintain before- and after-school programs. Grants are distributed through the West Virginia Department of Education and require the grantee to collaborate with elementary schools to provide services on or off site. Schools may opt to operate their own programs.

Wisconsin approved the use of the NSACA accreditation program as a high quality standard for programs applying for quality improvement grants. The state also funded the Wisconsin Child Care Improvement Project to provide technical assistance for start-up of school-age programs.

Wyoming eliminated all funds for improving the quality and expanding the supply of school-age care.

ODD-HOUR CARE

As more families work shifts, or during non-standard work hours, there is an increasing need for child care during odd hours. Thirty-two percent of employees with young children work evenings, nights, rotating, split, and variable shifts, according to the Family and Work Institute's *National Study of the Changing Workforce*. Yet the supply of non-traditional care is minimal, forcing many families to make difficult choices.

In 1999, at least nine states implemented or raised differential rates or bonuses to support odd-hour care, including **California**, **District of Columbia**, **Kentucky**, **Maine**, **Mississippi**, **Missouri**, **Texas**, **Washington**, and **West Virginia**. In addition, at least ten states began or expanded training and start-up initiatives targeted to odd-hour care providers, including **Arkansas**, **Colorado**, **Illinois**, **Kansas**, **Maine**, **Massachusetts**, **Michigan**, **New York**, **Rhode Island**, and **South Carolina**.

New State Action 1999: State-by-State Details

Arkansas provided technical assistance to county coalition efforts seeking to develop non-traditional care.

California slightly raised rates for odd-hour care based on a 1999 market rate survey.

Colorado set aside funds for local initiatives that support odd-hour care in those counties that apply.

The District of Columbia increased rates for odd-hour care. The Department of Health also created new licensing rules that require family home providers to hire a full-time staff member to work at night if they provide odd-hour care.

Illinois allocated $1 million to five demonstration sites to help assess the need and real costs of providing odd-hour care.

Kansas gave priority to quality/supply grant applications requesting funding for odd-hour care.

Kentucky instituted a new differential rate policy that allows providers to claim differential rates across more than one category (i.e. accredited, special needs, and odd-hour). Previously, the state would only pay for one of any three differentials for which a program qualified.

Maine approved legislation to stimulate the supply of child care in underserved areas, including particular geographic areas, infant/toddler care, and odd-hour care. Incentives can include higher rates of reimbursement for this care.

Massachusetts plans to release a competitive bid to develop pilots encouraging child care providers throughout the Commonwealth to offer odd-hour child care.

Michigan increased funding for EQUIP provider grants by $72,500, to $810,000. The EQUIP program offers grants of $500 to $3,500 to child care centers, child care homes, and regional child care resource and referral agencies to improve the quality of care and increase spaces for infants, children with special needs, and children who need odd-hour care.

Mississippi implemented a differential rate for odd-hour care.

Missouri increased reimbursement rates for odd-hour care providers.

New York set aside funds to support the expansion of child care programs that operate on non-traditional schedules.

Rhode Island set aside funds to support start-up and innovative programs that can be used to expand and improve odd-hour care.

South Carolina piloted an initiative in Aiken County to recruit additional regulated family child care providers to expand odd-hour child care arrangements. The state will also provide additional subsidy for families needing more than one child care arrangement during a week of care (i.e. weekends, second and third shift).

Texas delegated to the local workforce development boards the power to implement a differential rate for odd-hour care.

Washington implemented a non-standard-hour care bonus for providers caring for eligible children 15 or more hours per month during weekday hours before 6:00 a.m. or after 6:00 p.m. or on weekends. In addition, the U.S. Department of Labor Women's Bureau and Head Start/State Collaboration Project contracted with the state Child Care Resource and Referral Network to compile data and input on odd-hour care.

West Virginia implemented a $1-a-day differential rate incentive for odd-hour providers serving children receiving child care assistance and then increased it to $3 a day as of October 1, 1999.

LICENSING PROVISIONS

As states build their early childhood investments, the first building block should be a strong set of licensing protections to ensure that children are safe and receiving the attention and support they need to thrive. Two of the most important protections that must be in place are low child-to-staff ratios and requirements for staff education and ongoing training.[15] Child development experts recommend that, in order to keep children safe from harm, a single caregiver should be responsible for no more than three or four infants, four or five toddlers, and 10 preschool-age children.[16]

Unfortunately, only 10 states meet national recommendations for center-based care and only 10 states require all family child care providers to meet *any* regulations at all. In addition, while caregivers who have training in early care and education are more responsive to the needs of children in their care and better equipped to help them to succeed in school, states continue to fall short in their training requirements.[17] While hairdressers and manicurists must attend 1,500 hours of training at an accredited school in order to get a license, as of June 1, 1999, 31 states did not require providers to have any early childhood training before they could care for children in child care centers. An even larger number of states—40—did not require family child care providers to have this preparation. Seven states did not require teachers in child care centers to participate in ongoing training during the year, and 21 states did not require family child care providers to meet this standard.

In 1999, only one state, **Louisiana**, made improvements in child-staff ratios, and even these will not be implemented until March 2001. Three states, **Florida**, **Oregon**, and **Tennessee**, increased training requirements for

caregivers, while four states, **District of Columbia**, **Massachusetts**, **Missouri**, and **New York**, increased standards for informal caregivers who receive public funds.

In addition to establishing strong standards, states must also take steps to ensure that health and safety standards are always followed. This requires states to invest in an adequately funded licensing agency with a sufficient number of trained staff who can regularly inspect and evaluate all providers to verify that they meet standards and provide technical assistance to help them improve when they do not.

Four states increased the frequency of licensing inspections in centers or family child care homes (**Maryland**, **Nebraska**, **New Jersey**, and **Tennessee**) · while seven states added new staff to monitor programs (**Maine**, **Mississippi**, **New York**, **Oregon**, **South Dakota**, **Tennessee**, and **West Virginia**). **Wisconsin** also plans to increase site visits and provide technical assistance to family child care homes certified to receive child care subsidies.

Also in 1999, five states, **Arizona**, **Georgia**, **Missouri**, **New Hampshire**, **New Jersey**, and **Virginia**, expanded their requirements for criminal background checks. While criminal background checks are only one of a series of health and safety assurances, they are important as a basic device for screening out potentially inappropriate caregivers. Unfortunately, most states do not require providers to undergo FBI checks, which include examination of out-of-state activities.

New State Action 1999: State-by-State Details

Alabama is reviewing all center and family child care licensing regulations.

Alaska will transfer child care licensing from the Division of Family and Youth Services (protective services) to the Department of Education and Early Development.

Arizona implemented legislation that amended requirements for the fingerprinting of persons who work with children and other vulnerable populations. The legislation continues the requirement for fingerprinting, but changes and standardizes the specified criminal offenses that would preclude an individual from being allowed to work in these settings. The legislation also establishes a division within the Arizona Department of Public Safety that will have the responsibility to receive fingerprints and conduct a state and national criminal records check. A person will now be issued a fingerprint clearance card if the criminal records check does not reveal that the person is awaiting trial or has been convicted of any of the specified offenses. The card will be valid for three years and be transportable so as to serve as evidence that the individual meets certain (criminal history) standards

fo working with children. (Previously, individuals may have been required to be fingerprinted multiple times if they worked with different agency programs or populations). Additionally, the Board of Fingerprinting was established. This Board will have the authority to conduct "good cause exception hearings" and grant exceptions. An outcome of such hearing could allow the Board to issue a fingerprint clearance card, under certain circumstances, to a person who did have a criminal history arrest record and would not otherwise be eligible. Under previous statutes, very few agencies or programs had the ability to grant exceptions. The Board would be made up of representatives of the agencies requiring fingerprinting.

Arkansas implemented new playground licensing standards and a new provider appeal panel.

Colorado created a new category of licensing for family child care providers. The category, "Experienced Provider," allows certain providers to have increased enrollment based on their experience level. To qualify, the provider must: have been a family child care home provider in Colorado for at least the last six consecutive years; have completed 90 clock hours of training within the preceding six years (excluding pre-licensing training),[18] including 40 hours of infant/toddler training; have had no substantiated complaints in the preceding two years for violations that could directly threaten the health or safety of children in care; have had no negative licensing actions taken against their license in the preceding two years; meet requirements of 35 square feet of inside space and 75 square feet of outside space per child; and comply with local zoning restrictions. The impact of this new licensing type will be evaluated after a two-year period.

Connecticut implemented new licensing regulations governing the administration of finger-stick blood glucose tests for children with juvenile diabetes and now requires all children to be immunized against chicken pox.

The District of Columbia revised infant and toddler and odd-hour care licensing requirements. The city also implemented new requirements that in-home and relative providers obtain six clock hours of training a year and independent family child care providers obtain 10 clock hours of training a year.

Florida's new Gold Seal legislation expanded the T.E.A.C.H. initiative, required all center directors to have a director's credential by 2003, increased the amount of training licensed family child care home operators are required to complete from three hours to 30 hours, and increased the training required of child care center workers from 30 hours to 40 hours.

Georgia passed legislation to require criminal records checks on all adults living in a family child care home as well as all employees of the home. If any unsatisfactory information is found on an employee, they cannot work in the home. If unsatisfactory information is found on the provider, the provider may care for up to two children for pay until the matter reaches final resolution. The law requires the state crime information center to process providers' checks within 10 days of receiving fingerprints.

Hawaii implemented a new licensing policy that allows the state to issue two-year licenses with yearly monitoring visits for providers who have been licensed for four years. Providers must continue to be licensed annually if licensed less than four years.

Illinois began operating a parent information hotline, which allows parents to access information regarding provider licensing violations. In addition, the state began requiring child abuse and neglect central registry checks on all license-exempt providers who wish to receive subsidy payments.

Indiana introduced the Five-Star Program under the auspices of the Department of Environmental Management. The program recognizes child care facilities that are free of environmental hazards.

Iowa is piloting a four-level licensing registration system.

Kansas enacted new legislation to strengthen the ability of the state to assess civil penalties for violations that significantly and adversely affect the care of children. The new law allows a maximum fine of $500 for each violation of child care regulations, and each day of noncompliance is considered a separate violation.

Louisiana will decrease its child/staff ratio requirements by one in each age category effective March 2001.

Maine tightened enforcement procedures to close illegal sites; clarified the definition of "small" centers; and made it easier to transfer a license from one site to another.

Maryland enacted legislation requiring at least one unannounced inspection of each family child care home during every two-year registration cycle, in addition to an announced inspection for registration renewal. The state also enacted a statute requiring all family child care providers and an increased number of center staff to become and remain certified in CPR and first aid.

Massachusetts increased licensing capacity by nearly 1,000 for infant and toddler care and 5,000 for school-age care statewide. A survey on the effectiveness of the licensing process is now issued to all licensed child care providers with their new and renewed license. New distance learning training is linked to provider qualification standards for infant and toddler and school-age care and for inclusion of children with disabilities. A CORI process was established for all non-relative in-home providers who are exempt from licensing standards. In another measure, provisions on Varicella vaccine or immunity status were added to child care regulations. Licensing staff provided technical assistance to providers concerned about resistance from parents in response to these new requirements. The state also established regulations for Family Child Care Plus allowing family child care providers to care for up to two school-age children in addition to their other children under certain conditions. Conditions include a provider's qualifications and training and the number of children for whom care would be provided, as well as curriculum, space, and activity requirements.

Minnesota restored previous licensing requirements by allowing a 1997 licensing provision to expire (the 1997 provisions had increased the exemptions for family child care). The requirements for family care that are once again in place only allow a provider to care for her own related children and the children of one unrelated family without being regulated.

Mississippi allocated $1 million in CCDBG funding to its Department of Health to fund child care licensing activities, covering a large portion of the operating costs of the

program and adding a total of 22 full-time staff to the Division of Child Care Licensure for training activities and the inspection of child care centers.

Missouri expanded screening requirements for both licensed and license-exempt centers. The state now requires criminal background checks for licensed centers and child abuse registry checks in addition to criminal background checks for any provider paid with state or federal funds. In addition, the state established a central registry for information about providers. All licensed centers and providers receiving a subsidy must register. Parents will not receive a subsidy if they choose a provider who does not conform to state provisions. The state also improved licensing rules to require providers receiving a subsidy to be over 18, receive a TB test, and have access to training.

Montana implemented an extended license for child care centers that operate violation-free for three years. The state is developing standards for extending this provision to family child care homes.

Nebraska fully implemented legislation requiring annual unannounced inspections of all programs, including family child care homes licensed through a self-certification process, and semi-annual inspections of programs licensed for 30 or more children.

New Hampshire expanded the number of license-exempt providers by changing the definition of "related children." Previously, only a provider's own children were disregarded in counting the number of children in care. Now, any related children (including cousins, nephews, nieces, grandchildren, and stepchildren) are disregarded in the total count of children. The state also implemented a new requirement to mandate criminal and child abuse background checks for providers receiving subsidies.

New Jersey increased the frequency of inspections of all licensed child care facilities from once every three years to annually. Requirements for Child Abuse Record Information (CARI) background checks for all potential employees in licensed child care centers were also enacted. In addition, a criminal history background check is required of all employees of licensed child care centers that contract with Abbott school districts. Abbott prekindergarten programs must meet other high quality standards mandated by the state as well.

New York announced new standards for informal child care settings where public funds are involved. The standards impose health and safety requirements related to the facilities and the characteristics and skills of the provider and others in the household where care is provided. In addition, $1.25 million was allocated to the network of child care resource and referral agencies to develop collaborative strategies with local social services districts on reaching out to legally exempt providers to provide health and safety equipment, training, and other supports. The Governor also recently announced a major expansion in child care licensing staff to ensure that inspector/program ratios are consistent with NAEYC recommendations.

North Carolina implemented a rated licensing system in July 1999 that measures child care centers along three dimensions—staff education, compliance history, and program standards—and provides parents with more significant information about the quality of care their children receive.

Beginning January 1, 2000, this system will be expanded to family child care homes.

Oklahoma added the category of large family child care homes to allow providers to care for eight to 12 children in a home setting. A quality assurance auditing program evaluated the licensing program, identifying 27 findings in six categories that were used to improve the program.

Oregon family child care providers will be required to meet new training criteria prior to registration, including: completion of the Family Child Care Overview Session; certification in infant and child first aid and resuscitation; certification as a food handler; and completion of two hours of training on child abuse and neglect issues as well as eight hours of training related to child care. Two bills will also require the state to inspect the homes of thousands of additional family child care providers each year, and boost the Oregon Employment Department's Child Care Division budget by $1.8 million to hire new family child care specialists to work on family child care registration. They will be conducting home inspections and follow up on complaints.

South Carolina developed new standards for participation in the state's ABC Child Care Voucher System. This system provides monitoring visits, technical assistance, and enhanced rates to providers who choose to participate. The voluntary quality standards address regulatory requirements, staff qualifications and development, health and safety, nutrition and food service, parent/staff interaction, child/staff ratios, child/staff interactions, activities, and physical environment. Programs meeting national accreditation standards (i.e. NAEYC accreditation) are considered to have the highest quality of care. The lead agency reviewer observes each room or group for a minimum of 30 minutes and rates the outdoor playground area designated for children's use. The review tool is structured to allow for accommodation of program weakness in one area for programs compensating with strengths in other areas, multilevel evaluation of individual staff, classroom and overall center compliance with standards, and provisional enrollment to allow certain deficiency corrections within specified time frames. The Department of Health and Human Services provides technical assistance to programs having difficulty meeting the required minimum percentage of compliance. Limited one-time grant funding may be available through the lead agency to assist potential providers to correct cited deficiencies at initial enrollment. The state is planning to transfer TANF block grant funds to the state's child care licensing/regulatory program to cover a large portion of the operating costs of this program.

South Dakota increased the number of licensing staff from a total of four in 1996 to a total of 10 statewide.

Tennessee increased training requirements for center directors and teachers from six hours to 12 hours a year and 12 hours to 18 hours a year respectively. Over a two-year period, FY 1999 to FY 2000, the state will add licensing staff (including 76 counselors) in order to improve licensing support and enforcement. In addition, the state increased the number of unannounced visits per year to all agencies and will immediately suspend licensed agencies with serious violations rather than issue warnings. Emergency transportation rules for child care were also presented to the General Assembly in January.

Texas passed legislation requiring a comprehensive cost-benefit analysis and economic impact study for minimum standards revisions concerning non-residential child care facilities that impact child/staff ratios, group sizes, or square footage. It also requires a child-placing agency to transfer its files and records to the Bureau of Vital Statistics when the agency terminates operation.

Virginia now requires local departments of social services to run both criminal records and child protective services central registry checks of any unlicensed or unregulated child day care or family day home that wishes to receive subsidy payments.

Washington revised sections of the state licensing codes and dedicated an additional $386,000 to increase the number of state Department of Health surveyors monitoring child care centers. The codes now require family home providers and lead teachers in centers to complete 20 hours of basic training plus an additional 10 clock hours each following year.

West Virginia added two licensing monitors.

Wisconsin allocated funds for the Safe Child Care project. The program will increase site visits and provide technical assistance to family child care homes certified to receive child care subsidies. The state also allocated funds to establish a new statewide automated registry of all regulated providers and enacted new legislation requiring licensed family child care providers to post licensing inspection results by the license at the family child care homes. Parents now have ready access to information about their family child care home's or group center's compliance with health and safety licensing rules at the facility. The state significantly expanded its caregiver background check requirements for all regulated child and adult care providers to include searches of a caregiver registry, previous denials and revocations of licenses for regulated child or adult care facilities, professional license status, and other sources in addition to criminal record checks. It also developed a one-step process and new automated system that checks the state's criminal history records and multiple other data sources.

Table 6.
June 1, 1999 Snapshot:
Maximum Staff Ratios for Child Care Centers for Selected Ages*

State	Age Group					
	6 wks	9 mos	18 mos	27 mos	3 yrs	4 yrs
Alabama	1:6	1:6	1:8	1:8	1:12	1:20
Alaska	1:5	1:5	1:6	1:6	1:10	1:10
Arizona	1:5/2:11	1:5/2:11	(12 mos.) 1:6/2:13	(24 mos.) 1:8	1:13	1:15
Arkansas	1:6	1:6	1:9	1:9	1:12	1:15
California	1:4	1:4	1:4	1:12 or 15	1:12 or 15	1:12 or 15
Colorado	1:5	1:5	1:5	1:7	1:10	1:12
Connecticut	1:4	1:4	1:4	1:4	1:10	1:10
Delaware	1:4	1:4	1:7	1:10	1:12	1:15
District of Columbia	1:4	1:4	1:4	1:4	1:8	1:10
Florida	1:4	1:4	1:6	1:11	1:15	1:20
Georgia	1:6	1:6	(12 mos.) Walking: 1:8 Not Walking: 1:6	1:10	1:15	1:18
Hawaii	Prohibited	1:4	1:5	1:8	1:12	1:16
Idaho	1:6	1:6	1:6	1:12	1:12	1:12
Illinois	1:4	1:4	1:5	1:8	1:10	1:10
Indiana	1:4	1:4	1:5	1:5	1:10	1:12
Iowa	1:4	1:4	1:4	1:6	1:8	1:12
Kansas	1:3	1:3	1:5	1:7	1:12	1:12
Kentucky	1:5	1:5	1:6	1:10	1:12	1:14
Louisiana[1]	1:6	1:6	1:8	1:12	1:14	1:16
Maine	1:4	1:4	1:5	1:5	1:10	1:10
Maryland	1:3	1:3	1:3	1:6	1:10	1:10
Massachusetts	1:3/2:7	1:3/2:7	1:4/2:9	1:4/2:9	1:10	1:10
Michigan	1:4	1:4	1:4	1:4	1:10	1:12
Minnesota	1:4	1:4	1:7	1:7	1:10	1:10
Mississippi	1:5	1:5	1:9	1:12	1:14	1:16
Missouri	1:4	1:4	1:4	1:8	1:10	1:10
Montana	1:4	1:4	1:4	1:8	1:8	1:10
Nebraska	1:4	1:4	1:6	1:6	1:10	1:12
Nevada	1:4	1:6	1:8	1:8	1:13	1:13
New Hampshire	1:4	1:4	1:5	1:6	1:8	1:12
New Jersey	1:4	1:4	1:7	1:7	1:10	1:12
New Mexico	1:6	1:6	1:6	1:10	1:12	1:12
New York	1:4	1:4	1:5	1:5	1:7	1:8
North Carolina	1:5	1:5	1:6	1:10	1:15	1:20
North Dakota	1:4	1:4	1:4	1:5	1:7	1:10
Ohio	1:5	1:5	1:7	1:7	1:12	1:14
Oklahoma	1:4	1:4	1:6	1:8	1:12	1:15

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Table 6.
June 1, 1999 Snapshot:
Maximum Staff Ratios for Child Care Centers for Selected Ages* *(continued)*

State	Age Group					
	6 wks	9 mos	18 mos	27 mos	3 yrs	4 yrs
Oregon	1:4	1:4	1:4	1:4	1:10	1:10
Pennsylvania	1:4	1:4	1:5	1:6	1:6	1:10
Rhode Island	1:4	1:4	1:6	1:6	1:9	1:10
South Carolina	1:6	1:6	1:6	1:10	1:13	1:18
South Dakota	1:5	1:5	1:5	1:5	1:10	1:10
Tennessee	1:5	1:5	1:7	1:8	1:10	1:15
Texas	1:4/2:10	1:4/2:10	1:9/2:18	1:13/2:26	1:17/2:34	1:20/2:35
Utah	1:4	1:4	1:4	1:7	1:12	1:15
Vermont	1:4	1:4	1:4	1:5	1:10	1:10
Virginia	1:4	1:4	1:5	1:10	1:10	1:12
Washington	1:4	1:4	1:7	1:7	1:10	1:10
West Virginia	Prohibited	1:4	1:4	1:8	1:10	1:12
Wisconsin	1:4	1:4	1:4	1:6	1:10	1:13
Wyoming	1:5	1:5	1:5	1:8	1:10	1:15
NAEYC Recommended Provider Child Ratios	1:3 or 1:4	1:3 or 1:4	1:3, 1:4 or 1:5	1:4, 1:5 or 1:6	1:7, 1:8, 1:9 or 1:10	1:8, 1:9 or 1:10

* Data accurate as of June 1, 1999.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

Source: CDF survey of state child care administrators and licensors, July 1999.

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Table 7.
June 1, 1999 Snapshot:
State Regulation of Family Child Care Providers*

State	Does the State Regulate Family Child Care Providers Regardless of Size?
Alabama	Yes
Alaska	No
Arizona	No
Arkansas	No
California	No
Colorado	No
Connecticut	Yes
Delaware	Yes
District of Columbia	Yes
Florida	No
Georgia	No
Hawaii	No
Idaho	No
Illinois	No
Indiana	No
Iowa†	No
Kansas	Yes
Kentucky	No
Louisiana	No
Maine	No
Maryland	Yes
Massachusetts†	Yes
Michigan	Yes
Minnesota†	No
Mississippi	No
Missouri	No
Montana	No
Nebraska	No
Nevada	No
New Hampshire†	No
New Jersey	No
New Mexico	No
New York†	No
North Carolina	No
North Dakota	No
Ohio	No
Oklahoma	Yes
Oregon†	No
Pennsylvania	No

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Table 7.
June 1, 1999 Snapshot:
State Regulation of Family Child Care Providers*

State	Does the State Regulate Family Child Care Providers Regardless of Size?
Rhode Island	No
South Carolina†	No
South Dakota	No
Tennessee	No
Texas	No
Utah	No
Vermont	No
Virginia	No
Washington	Yes
West Virginia	No
Wisconsin	No
Wyoming	No

* Data accurate as of June 1, 1999.

† These states have reported that they made policy changes during 1999 (as described in the State by State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

Source: CDF survey of state child care administrators and licensing agencies, July 1999.

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Table 8.
June 1, 1999 Snapshot:
Pre-service and In-service Early Education Training Required by State Licensing Standards*

State	Child Care Center Teachers		Family Child Care Providers	
	Pre-service Training?	In-service Training?	Pre-service Training?	In-service Training?
Alabama	No	Yes	No	Yes
Alaska	No	Yes	No	Yes
Arizona	No	Yes	NA	NA
Arkansas	No	Yes	No	Yes
California	Yes	No	No	No
Colorado†	No	Yes	Yes	Yes
Connecticut	No	Yes	No	No
Delaware	Yes	Yes	Yes	Yes
District of Columbia†	Yes	No	No	No
Florida†	Yes	Yes	Yes	No
Georgia	Yes	Yes	No	Yes
Hawaii	Yes	No	No	Yes
Idaho	No	Yes	NA	NA
Illinois	Yes	Yes	No	No
Indiana	No	Yes	No	No
Iowa†	No	Yes	NA	NA
Kansas	Yes	Yes	No	No
Kentucky	No	Yes	Yes	Yes
Louisiana	No	No	NA	NA
Maine	No	Yes	Yes	Yes
Maryland	Yes	Yes	Yes	Yes
Massachusetts†	Yes	Yes	No	Yes
Michigan	No	No	No	No
Minnesota	Yes	Yes	Yes	Yes
Mississippi	No	Yes	No	Yes
Missouri†	No	Yes	No	Yes
Montana	Yes	No	No	No
Nebraska	No	Yes	Yes	Yes
Nevada	Yes	Yes	Yes	Yes
New Hampshire	Yes	No	No	Yes
New Jersey†	Yes	Yes	NA	NA
New Mexico	No	Yes	No	Yes
New York†	No	Yes	No	Yes
North Carolina†	Yes	Yes	Yes	No
North Dakota	No	Yes	No	Yes
Ohio	No	Yes	NA	NA
Oklahoma	No	Yes	No	Yes
Oregon†	No	Yes	No	No
Pennsylvania	No	Yes	No	Yes

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Table 8.
June 1, 1999 Snapshot:
Pre-service and In-service Early Education Training Required by State Licensing Standards*
(continued)

State	Child Care Center Teachers		Family Child Care Providers	
	Pre-service Training?	In-service Training?	Pre-service Training?	In-service Training?
Rhode Island	Yes	Yes	No	Yes
South Carolina†	No	Yes	No	No
South Dakota	No	Yes	NA	NA
Tennessee†	No	Yes	No	Yes
Texas	Yes	Yes	No	Yes
Utah	No	Yes	No	Yes
Vermont	Yes	Yes	No	Yes
Virginia	No	Yes	No	Yes
Washington†	No	Yes	No	No
West Virginia	No	Yes	NA	NA
Wisconsin	Yes	Yes	Yes	Yes
Wyoming	No	Yes	No	Yes

Notes: If a state has requirements for training not specified in early childhood (such as first aid/CPR) that can substitute for training in early childhood education, it is reported as "No."
"Family Child Care" in this table refers to one provider legally caring for one or more unrelated children in the provider's residence and "NA" means that a state does not regulate this type of caregiver. Some states that are reported as not having these requirements do require pre-service or in-service training for providers receiving public funds, but not all providers in the state are subject to these requirements.

* Data accurate as of June 1, 1999.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of June 1, 1999 are reflected in the table; policy changes that went into effect after June 1, 1999 are not reflected.

Source: Center for Career Development in Early Care and Education at Wheelock College, "Child Care Licensing Training Requirements for Roles in Child Care Centers and Family Child Care," June 1999.

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HEAD START, PREKINDERGARTEN, AND COLLABORATION

Research has shown that children who participate in high quality early education will perform better in school than those who do not have this opportunity. These positive effects are particularly significant for children at risk of school failure.[19] To ensure that all children have access to quality early care and education experiences, states should ensure that prekindergarten is universally available and that it is structured to meet the needs of parents who work outside of the home.

States are expanding investments in prekindergarten programs, but these programs are far from accessible to many families and may not meet the needs of working families. A 1998–99 Children's Defense Fund study of state prekindergarten programs found that while funding for these programs is two-and-a-half times the funding level of 1991–92, the bulk of spending is concentrated in just ten states. In 1998, only 42 percent of children between the ages of three and five, but not yet in kindergarten, whose families earned $15,000 or less a year were enrolled in a public or private prekindergarten program. This compares with 65 percent of children whose families earned $50,000 or more. In addition, the majority of prekindergarten programs operate on a part-time, part-year schedule not meeting the needs of working families.

In 1999, the majority of states took action to support an increased number of prekindergarten slots or to better support working families by helping Head Start or state prekindergarten programs to extend their day. **New Hampshire** and **South Dakota** helped Head Start programs to extend their day by providing full-day child care subsidy reimbursements for children who are also enrolled in part-day Head Start programs.

NEW STATE ACTION 1999: STATE-BY-STATE DETAILS

Alaska initiated full-day, year-round Head Start in some state-funded locations and adopted the federal requirements for Head Start instructors to obtain an AA degree for state-funded programs as well. The state also moved the Food Program, Child Care Indicators Project, Alaska Partners Head Start Collaboration, Day Care facility licensing, and Alaska Children's Trust preschool certification into the Division of Early Development. Head Start and prekindergarten are now in the same division as the child care assistance program.

Arizona extended the deadline for state-funded preschools to become nationally accredited, giving programs an additional year.

Arkansas implemented a new program that provides grants through the Department of Education to low-income school districts. The grants allow the creation of prekindergarten programs and parent resource centers. The state expanded existing collaboration with Head Start centers and provided extended-day services through specialized grants. The state also developed the Early Childhood Framework for ensuring a smooth transition to kindergarten for three- and four-year-olds. The state offered new training on the Early Childhood Framework as well as the Family Literacy initiative.

California increased funding for its prekindergarten program by $23 million for six months (totaling $46 million when annualized next year).

Colorado expanded the number of prekindergarten slots in its state-funded prekindergarten program by 250. The state also expanded its local consolidated child care pilot project. This project allows local communities to use their state prekindergarten funds for services for children from birth to age five and provides waivers to any state regulation that inhibits the integration of CCDBG subsidy, Head Start, and state prekindergarten programs in delivering full-day, full-year, quality child care.

Connecticut passed technical revisions to the funding formula to its historic School Readiness legislation to accommodate the addition of new communities within the available funding appropriations.

Delaware expanded coverage of the Early Childhood Assistance Program, the state-funded Head Start program, to *all* eligible four-year-olds not served by the federal Head Start program. State funding for the program increased 5.3 percent from $3.6 million in FY 1999 to $3.8 million in FY 2000. Delaware also expanded funding for Parents as Teachers (parent education and support for first-time parents of children from birth to age three). The PAT program is working in collaboration with the Parental Assistance Programs. The focus of the initiative is to develop stronger relationships between families and their local education agencies. The programs will target families and their children (under three years of age) most at risk for later school challenges. Each PAT program will provide intensive services to assist those families in meeting their basic needs and to help them better understand how they can promote their children's development. The goal is to have children entering kindergarten with a solid foundation and to assist families to recognize the connection between education and school success. PAT

programs are also working with the Delaware Department of Health and Social Services' First Time Home Visiting Program and the Family Services Cabinet Council's Parent Education Partnership Committee to provide a comprehensive, seamless system of support to teenage parents (under age 17) and their first-born children under three. The partnership strives to assist teens in meeting their social service/case management needs while helping them to focus on their children, parenting responsibilities, and role as nurturers and teachers.

The District of Columbia's child care agency developed a partnership with the D.C. Public School Prekindergarten and Elementary Education Superintendent to focus on issues related to the transition from child care and Head Start to kindergarten.

Florida adopted a new School Readiness initiative that will encourage local communities to coordinate Head Start, prekindergarten, child care, and other early childhood programs. The initiative requires local communities to submit a plan describing, among other aspects of the early childhood programs, how extended-day schedules will be offered to children in all programs.

Georgia funded extended-day services for Early Head Start for 13 Head Start programs and increased funding for its prekindergarten program by $7 million.

Hawaii will begin funding extended-day Head Start through the CCDBG.

Idaho transferred $1.5 million from the TANF block grant to support state grants for Head Start.

Illinois allocated $10 million for collaborations between Head Start and child care programs to expand full-day services. The state also implemented changes in policies on redetermination time allotted for job search after job loss and an inclusion of Head Start as a TANF employment-related activity. In addition, the state increased funding for prekindergarten by 12 percent and continued to give preference to prekindergarten applicants (school districts) that propose collaboration with child care.

Indiana allocated $3 million to establish Head Start Partnerships in Early Childhood pilot projects and to establish pilot projects in Head Start communities experiencing significant demographic changes due to an influx of immigrants and other new populations.

Kansas implemented its new Early Head Start initiative. It now serves 26 counties through 13 Kansas Early Head Start grantees. The state has also allocated funds for state-supported Head Start for three- and four-year-olds.

Louisiana expanded the availability of full-day and summer Head Start programs to many areas of the state.

Maine allocated $1.5 million for full-day, full-year Head Start programming (funds to either expand existing slots to full-day, full-year, or to fund new slots as long as they are full-day, full-year).

Maryland allocated $2.5 million (for first-time funding) for Head Start to increase the number of children enrolled or to expand the Head Start day. The state also plans to require schools applying for state-funded prekindergarten site selection to indicate how public/private partnerships will be addressed through linkages with child care, Head Start, and Family Education Services.

Massachusetts increased funding for Head Start "partner" slots which offer full-day, full-year child care in conjunction with Head Start programs.

Michigan increased funding for its prekindergarten program by $5 million to expand full-day services and allocated funding for prekindergarten [illegible]ng.

Minnesota is requiring the Department of Child, Families and Learning to develop a plan for service integration by February 1, 2001.

Missouri plans to expand Early Head Start by leveraging state money from its Early Childhood Development Education and Care Fund created last year with proceeds from gaming revenues. The state also began implementing its new prekindergarten program using these revenues.

Montana's Head Start/State Collaboration project published a guide to Head Start/child care partnerships and the state funded several pilot partnerships projects in local communities.

Nebraska provided grants to help Head Start programs extend their day.

Nevada allocated funds to support wrap-around child care for Early Head Start programs.

New Hampshire will provide full-day child care reimbursements for wrap-around care for children who are also enrolled in half-day Head Start programs. In addition, the state funded two Head Start programs to offer drop-in care to children whose parents have appointments with state TANF offices.

New Jersey allocated $6 million annually to fund full-day, full-year wrap-around care for Head Start children residing in the 30 Abbott school districts and who meet eligibility criteria for CCDBG-funded child care. (This amount is in addition to the $1.4 million the state currently spends for Head Start-like services.) The state has also adopted a blended funding concept that provides centers with revenue totaling $8,000 per child annually for full-day, full-year preschool services—or $8,283 annually, if an accredited center—to serve eligible three- and four-year-old children residing and enrolled in one of the 30 Abbott school districts. State Early Childhood Program Aid (ECPA) subsidizes the cost of prekindergarten provided in licensed child care centers that have contractual agreements with these districts. The balance of the cost of the full-day, full-year services will be paid for eligible children currently receiving child care assistance through a voucher payment or an existing contract with the state's Department of Human Services, less any family co-payment. In addition, the state created the Task Force on Early Childhood Education Programs to develop and submit recommendations for developmentally appropriate standards and expectations for uniform, high quality early childhood programs. The findings of the 21-member group included a recommendation that the Governor support a separate teaching endorsement for preschool to third grade. The Governor accepted the recommendation and requested the Department of Education to propose the new credential to the State Board. Subsequent proposed code changes include: 1) effective September 2001, all newly hired teachers of students in preschool through grade three in the Abbott districts who hold a bachelor's degree will be required to obtain the new preschool-through-grade-three endorsement; and 2) by the year 2004, newly hired teachers in the Department of Human Services-licensed community-based child care centers, who hold an associate's degree in early childhood education, will be required to have

completed a bachelor's degree program and obtain the new preschool-through-grade-three endorsement. The state also issued a request for proposals (RFP) to seek a qualified firm to evaluate the state's early childhood education programming in the 30 Abbott school districts. The proposed study is designed to evaluate the effectiveness of the Abbott prekindergarten programs in terms of both implementation and education outcomes over time. At an estimated cost of $3 million, the study will track and periodically assess a sample of preschool-age children over a five-year period and solicit comments from school administrators, community providers, teachers, and parents.

New Mexico expanded state general funds for Head Start from $5 million to $6 million.

New York established priority enrollment standards for disadvantaged children for the Universal Prekindergarten program effective at the beginning of the 2001–02 school year and expanded funding for the program by $33 million, bringing the total to $100 million.

North Carolina expanded local Smart Start funding from $150.42 million to $208.42 million. The state also consolidated Head Start wrap-around funding with other funding for child care assistance. Families who need full-day services and were previously sent directly to Head Start programs can now go to the same office where they obtained child care (typically a county department of social services) to obtain Head Start wrap-around services.

Ohio increased funding for Head Start and public prekindergarten. The state also implemented a set-aside for teacher training related to literacy.

Oklahoma's Head Start/State Collaboration Project published a book describing collaboration models among Head Start, child care, and public schools that have been successful in the state. In addition, enrollment in the state prekindergarten has program doubled in size, to 16,678 children, since 1998, when eligibility was opened to every four-year-old in the state. (Local school districts, which cover a portion of the costs of their prekindergarten programs, may opt not to offer them, though).

Oregon expanded Head Start and prekindergarten funds by $2.2 million for the biennium to serve an additional 607 children and meet the legislative target of serving 50 percent of eligible three- and four-year-olds by 1999 through combination of state and federal funding. The state will use $380,000 of federal Head Start funding to serve 60 out of the 607 additional three- and four-year-olds. Forty of these slots will be full-day, full-year in collaborative models and 20 slots will go to an unserved county. The state also held its third Child Care/Head Start Summit to promote greater collaboration between child care and Head Start programs.

Rhode Island increased funding by $1.8 million for FY 2000 to provide additional Head Start slots or enhance child care services through the state's Starting RIght initiative. Starting RIght will fund full-day, full-year Head Start or similar comprehensive programs offered by child care centers.

South Dakota worked collaboratively with Head Start to support full-day, full-year programming and care. The state also implemented a new rule allowing providers to charge a full-day rate when providing wrap-around care for Head Start children. Head Start programs interested in providing full-day care are giving special technical assistance for licensing and blending of funds through the CCDBG.

Texas enacted pre-reading legislation to fund Head Start-like programs. The pre-literacy initiative, the Ready to Read grant program, will receive $2 million. Grants are to be used to provide scientific, research-based pre-reading instruction for the purpose of directly improving skills and for identifying cost-effective models for intervention. These grants will range from $50,000 to $150,000 and can be used for professional staff development in pre-reading instruction, curriculum and materials, skills assessment materials, and employment of pre-reading instructors. A public school operating a pre-kindergarten program is eligible to apply for a grant if at least 75 percent of the children enrolled in the program are low-income students. The state also mandated collaboration between early childhood programs in order for them to receive grants. In addition, the Enhanced Reading Instruction program will provide $15 million for grants to provide or enhance an education component for federal Head Start programs or similar government-funded early childhood care and education programs. In contrast to its efforts to decentralize policy decisionmaking for child care by moving the administration of the CCDBG from the state to local workforce boards, the state transferred responsibility for all prekindergarten local initiatives from the local to the state level.

Utah allocated funds to support three new Early Head Start and seven child care/Head Start partnerships.

Washington expanded eligibility for ECEAP, its prekindergarten program, from 100 percent to 110 percent of the federal poverty level.

West Virginia allocated funds to support wrap-around services in Head Start and child care. The state also established an Early Childhood Study Commission to examine preschool issues. The Commission is reporting to the state legislature and has written legislation for a program called Educare, which is designed to provide high quality early childhood programs for children from birth to age five.

Wisconsin expanded funding for Head Start and Early Head Start using $5 million from the TANF block grant.

Wyoming is piloting a project to provide full-day, full-year Head Start/child care services.

Table 9.
June 1, 1999 Snapshot:
State Prekindergarten Initiatives Funding and Enrollment for 1998–99*

State	Program	State Spending	Children Served
Alabama	Preschool Collaboration Project	$690,000	1,000
Alaska†	Alaska Head Start Program (State-Funded Head Start Model)	$5,489,951	725
Arizona	Early Childhood State Block Grant (Prekindergarten Component)	$10,013,423	3,482
Arkansas†	Arkansas Better Chance	$10,000,000	9,048
California†	State Preschool Program	$127,000,000	145,719
Colorado†	Colorado Preschool Program	$21,640,000	8,350
Connecticut†	School Readiness and Child Care Initiative	$39,000,000	5,000
	State-Funded Head Start Model	$5,100,000	N/A
Delaware†	Early Childhood Assistance Program (State-Funded Head Start Model)	$3,600,000	843
District of Columbia	Public School Preschool Program	$14,591,000	3,381
	District-Funded Head Start Model	$2,570,000	1,450
Florida	Prekindergarten Early Intervention Program	$97,000,328	29,639
	State Migrant Prekindergarten Program	$3,295,172	7,552
Georgia†	Prekindergarten Program for Four-Year-Olds	$217,000,000	61,000
Hawaii†	Preschool Open Doors	$2,700,000	780
	State-Funded Head Start Model	$387,387	229
Idaho†	No state prekindergarten initiative	—	—
Illinois†	Early Childhood Block Grant (Prekindergarten Component)	$136,000,000	50,000
Indiana†	No state prekindergarten initiative	—	—
Iowa	Comprehensive Child Development Program "Shared Visions"	$7,633,087	2,466
Kansas†	Four-Year-Old At-Risk Children Preschool Program	$3,000,000	1,350
	State-Funded Head Start Model	$2,500,000	N/A
Kentucky	Kentucky Preschool Program	$39,700,000	15,433
Louisiana†	Preschool Block Grant	$6,650,600	3,200
Maine†	Two-Year Kindergarten	$1,300,000	654
	State-Funded Head Start Model	$2,329,000	424
Maryland†	Extended Elementary Education Program (EEEP)	$19,263,000	9,880
Massachusetts†	Community Partnerships for Children	$78,500,000	18,100
	State-Funded Head Start Model	$6,900,000	450
Michigan†	Michigan School Readiness Program	$67,083,000	21,638
Minnesota	Learning Readiness	$10,300,000	44,889
	State-Funded Head Start Model	$18,750,000	3,135
Mississippi	No state prekindergarten initiative	—	—
Missouri†	Missouri Preschool Project	N/A	N/A
Montana†	No state prekindergarten initiative	—	—
Nebraska†	Early Childhood Projects	$500,000	275
Nevada†	No state prekindergarten initiative	—	—
New Hampshire†	NH Head Start - State Collaboration (State-Funded Head Start Model)	$230,000	N/A
New Jersey†	Early Childhood Program Aid (Prekindergarten Component)	$70,000,000	8,197
	State-Funded Head Start Model	$1,400,000	500

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Table 9.
June 1, 1999 Snapshot:
State Prekindergarten Initiatives Funding and Enrollment for 1998–99* (continued)

State	Program	State Spending	Children Served
New Mexico†	Child Development Program	$1,300,000	1,333
New York†	State-Funded Head Start Model	$5,000,000	1,300
	Universal Prekindergarten	$67,000,000	18,906
	Experimental Prekindergarten	$50,200,000	19,458
North Carolina†	Smart Start	(Local decision)	N/A
North Dakota	No state prekindergarten initiative	—	—
Ohio†	Public School Preschool	$17,900,000	7,773
	State-Funded Head Start Model	$92,562,977	22,072
Oklahoma†	Early Childhood Four-Year-Old Program	$36,500,708	16,678
	Head Start State Appropriated Funds (State-Funded Head Start Model)	$3,316,918	N/A
Oregon†	Oregon Head Start Prekindergarten (State-Funded Head Start Model)	$16,272,167	3,064
Pennsylvania	Education Aid for Kindergarten for Four-Year Olds	$5,700,000	2,979
Rhode Island†	Early Childhood Investment Fund	—	—
	State-Funded Head Start Model	$1,965,000	400
South Carolina	Early Childhood Program (Half-Day Child Development Program)	$22,356,688	16,000
South Dakota†	No state prekindergarten initiative	—	—
Tennessee	Tennessee Early Childhood Education Pilot Program	$3,100,000	600
Texas†	Public School Prekindergarten	$235,000,000	123,859
Utah†	No state prekindergarten initiative	—	—
Vermont	Early Education Initiative	$1,315,000	1,097
Virginia	Virginia Preschool Initiative	$23,500,000	5,811
Washington†	Early Childhood Education & Assistance Program	$28,897,592	8,098
	Head Start State Match Program (State-Funded Head Start Model)	$470,000	N/A
West Virginia	Public School Early Childhood Education	$6,232,702	5,656
Wisconsin†	Four-Year-Old Kindergarten	$19,800,000	9,550
	State-Funded Head Start Model	$4,950,000	1,187
Wyoming†	No state prekindergarten initiative	—	—
TOTALS	Number of Initiatives: 58	$1,675,455,100	724,610

* Data were provided as reported by the states. Some figures may be rounded or estimated. For some states, the data may not be not comparable because the most recent available figures were from 1997–98, the enrollment counts included some duplication or children who were only receiving supplementary services through the prekindergarten initiative, or other reasons. See original source for further details. "NA" means data not available.

† These states have reported that they made policy changes during 1999 (as described in the State-by-State Details section). Depending on the timing of implementation for relevant changes, this table may or may not reflect the new policies. Only policies that were in effect as of 1998–1999 are reflected in the table; policy changes that went into effect after that time are not reflected.

Source: K. Schulman, H. Blank, and D. Ewen. (September 1999). Seeds of Success: State Prekindergarten Initiatives 1998–99. Washington, DC: Children's Defense Fund.

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PLANNING

Over the past few years, several states, including **Colorado** and **Texas,** have given counties increased responsibility for setting child care assistance policies such as reimbursement rates and sliding fee scales and for determining how to use their share of CCDBG quality funds. Other states are encouraging local communities to develop their own comprehensive plans for early childhood and providing them with varying levels of resources to implement their plans and fill in the gaps that local needs assessments reveal. These states, however, continue to set at least a minimum threshold for child care assistance policies.

As local communities increase their roles in child care and early learning, it is essential that states:

- Establish a minimum floor below which no community can fall for child care assistance policies such as eligibility guidelines, reimbursement rates, parent co-payments, and basic licensing standards.
- Continue to support major initiatives that bolster the quality of child care, including not only improving basic licensing standards and enforcement but also efforts such as prekindergarten programs and caregiver compensation initiatives.
- Offer sufficient new financial resources to address gaps identified by local planning efforts.
- Fund staff for local collaboratives who can help to assist in needs assessment, planning, and program implementation.

- Provide local collaboratives with training and technical assistance in developing and implementing their plans and overcoming obstacles to collaboration.
- Require that local collaboratives include a broad representation of the community, from child care providers to parents to business leaders as well as representatives of various local agencies serving children and families.
- Establish clear guidelines on what responsibilities the councils should have and what the goals of the planning process should be.

In 1999, **Florida**, **Oregon**, and **South Carolina** took significant new steps to expand local communities' roles in the planning and implementation of early childhood services while **Iowa** and **North Carolina** increased their investments in local planning efforts.

New State Action 1999: State by State Details

Alabama established the Alabama Child Care Quality Consortium to engage all key groups, agencies, and individuals involved in child care in an effort to maximize the quality of child care and early education. The Consortium was formed through a collaboration by the Alabama Department of Human Resources, the Governor's Office, and the Department of Children's Affairs. Funded by the Department of Human Resources, the Consortium's overall goal is to enhance the quality of all forms of child care in the state. The Consortium seeks to improve child care in a timely, equitable, and efficient manner, and initiate improvements that will continue beyond the Consortium's involvement. The Consortium has recently convened a summit of stakeholders to discuss priority issues in ten areas: scholarships for child care directors, incremental accreditation, information dissemination, research and evaluation, health and safety, funding and policies, parent education, training, family child care, and kith and kin home visitation mentoring. Over 130 child care professionals and individuals representing a wide variety of interests and organizations participated in the summit.

Alaska is forming an Early Childhood Collaboration Council which will consist of state and local governments, providers, and private industry representatives.

Arkansas allocated TANF block grant funds to support county coalitions that will decide how to spend funds targeted for quality. The state also developed the Early Childhood Framework for ensuring a smooth transition to kindergarten for three- and four-year-olds as well as a new family literacy initiative.

California expanded funding for local child care planning councils from $2.9 million to $5.3 million. The local councils—one in each county—now conduct needs assessments and set priorities for underserved areas. The state continues to implement Prop 10, the California Children's Initiative, which gives local collaboratives resources to improve early childhood services in their communities.

Colorado expanded its local consolidated child care pilot project, which allows local communities to use their state prekindergarten funds for services for children from birth to age five and provides waivers for any state regulation that inhibits the integration of CCDBG subsidy, Head Start, and state prekindergarten programs in delivering full-day, full-year, quality child care.

Delaware developed a comprehensive vision for a system of early child care and education in the state. A plan to involve key stakeholders, parents and providers, and the general community is also being developed. The state formed a partnership with more than 50 state agency representatives and private sector individuals and contracted with the Yale Bush Center for help implementing the blueprint for quality laid out in the center's *Not By Chance* report. A broad-based steering committee has met regularly to guide planning and implementation. The initiative is funded by the CCDBG and a small amount of private funds previously donated to the Delaware Early Care and Education Consortium for community planning and collaboration efforts. It is administered by the Department for Services for Children, Youth and Their Families.

The District of Columbia collaborated with a private partner, D.C. Agenda, to focus on out-of-school time programs for school-age children. The partnership resulted in community forums, a collaborative process for addressing school-age care issues, surveys of youth-serving organizations, identification and involvement of groups not previously involved, visits to communities around the United States to interact with persons in programs demonstrating best practices (programs in Seattle, Chicago, New York, and Boston), an evaluation framework, and engagement and active involvement of public schools. Youth-serving organizations, faith-based groups, children, and other citizens were also involved the process. An intergovernmental group was established and a memorandum of understanding was signed by heads of city departments. The work of this group resulted in the Safe Passages Action Plan and a legislative agenda. The plan was shared during the Citizens Summit, which was attended by approximately 3,000 people.

Florida legislators attempted to encourage greater community involvement in coordinating and maximizing the effectiveness of their early childhood programs (programs for child abuse prevention, helping families work, and helping children get ready for school) by establishing the Florida Partnership for School Readiness. The Partnership will be the principal organization responsible for the enhancement of school readiness for the state's children. It will oversee First Start, Even Start, the state's prekindergarten program, Head Start, subsidized child care, programs offered by public and private providers of child care, migrant prekindergarten, Title I, and teen parent programs. The Partnership legislation also calls for state and local collaboratives to guide progress. At the state level, the Florida Partnership for School Readiness will oversee the partnership. It is composed of the Lieutenant Governor, the Commissioner of Education, the Secretary of the Department of Children and Families, the Secretary of Health, the Chair of the Child Care Executive Partnership Board, the Chair of the WAGES (welfare) Program State Board of Directors, and ten members appointed by the Governor (including business, community, and civic leaders). At the county level, coalitions

consisting of at least 18 members, but not more than 25, including the Department of Child and Family Services District Administrator, a district superintendent of schools, a county health department director, a child care licensing agency head, and many others will be responsible for local implementation. In order to obtain funding, each County School Readiness coalition must first develop a plan for implementing the School Readiness program. The plan must be approved by the Florida Partnership for School Readiness Board and must include choices for parents, a sliding fee scale that is the same for all programs funded under the Partnership, performance outcome standards, and an effort to provide full-day, full-year care to the greatest extent possible. Coalition plans that were approved by the Partnership by January 1, 2000 were eligible for a bonus $50,000 initiation grant and coalitions that are approved by March 1, 2000 are eligible for a bonus $25,000 initiation grant. All others must have a plan approved and in place by July 1, 2000 in order to receive general funding. General funding will consist of each county's share of the state's existing $600 to $800 million investment in subsidized child care and prekindergarten. However, no new funds were made available to help local coalitions to fill any gaps that their planning process may reveal.

Georgia's Early Learning Initiative (GELI) has facilitated a planning process for improving child care and early education. The Georgia Early Learning Initiative consulted with child care stakeholders and held forums around the state in developing a plan. The preliminary plan that was presented to the Governor proposed funding for compensation (T.E.A.C.H.) and a tiered reimbursement rate system, as well as health benefits for child care teachers tied to accreditation. In addition, through the state's Family Connections initiative, many county collaborations have identified early care and education and school-age strategies in their long-term plans.

Indiana continued its support of public/private partnerships. A two-year, $1 million investment of quality funds has created a partnership among the corporate community, the Family and Social Services Administration, and the Indiana Association for Child Care Resource and Referral (IACCRR) to develop the Business Partnership Pilot Project. The objective of the pilot project is to assist local communities in fostering collaborative relationships among private and public partners to enhance and increase the quality, affordability, and accessibility of child care. The pilot project will contract with Business Partnership Specialists to consult with corporations, educate the community on work/family issues, advise community organizations of local employer interest, build business mentoring networks, and work with local resource and referral networks to enhance the delivery of their services to the business community.

Iowa increased funding by $10.2 million for the state's Community Empowerment Initiative. The initiative (enacted in 1998) provides funds to support community planning and strategic program implementation.

Kentucky's Governor appointed the Early Childhood Task Force to develop a 20-year plan for early childhood, win community support, and create a legislative agenda for the 2000 General Assembly. The task force, made up of legislators, child advocates, and business and community leaders, has presented a plan to the Governor that includes

strategies such as providing state-funded health insurance for providers serving a certain number of children receiving child care assistance; creating a tiered licensing system; increasing training and education requirements for informal caregivers; funding a T.E.A.C.H.-like program; and expanding eligibility for child care assistance to 200 percent of the federal poverty level. The plan also focuses on improving health care and supports to parents regardless of their work status.

Louisiana's legislature created the Child Day Care Task Force.

Maine is making $1.2 million available to local collaborations to fund regional child care quality improvement plans. These local collaborations must include representation by: center-based child care providers, family child care providers, school-age care providers, Head Start, child care resource and referral programs, and parents. The local collaborations must develop a needs assessment and a plan for allocating the funds to the community.

Massachusetts reinstituted a state-level child care advisory group that will promote monthly regional advisory group meetings and quarterly state-level advisory meetings.

Michigan supported a Ready to Learn leadership summit to discuss having the state develop its own version of North Carolina's Smart Start initiative.

Mississippi convened a task force to study the development and implementation of comprehensive early childhood services in the state. The final report addresses major child care issues such as training, salary supplements, accreditation benchmarks for quality, grants to centers to improve quality, and additional funding to the Mississippi State Department of Health for more child care inspection staff.

Missouri allowed community partnerships an opportunity to submit a request for funding from the Early Childhood Development, Education, and Care Fund for local planning efforts.

Montana implemented Best Beginnings, an effort to raise public awareness about quality. In addition, the state expanded the statewide Child Care Advisory Council. In response to a state mandate for increased planning through resource and referral agencies, the Early Childhood Future Search is also being held. Local communities will be encouraged to form planning teams to attend the conference, which will promote statewide planning for early care and education.

Nebraska kicked off its Early Childhood Public Engagement Campaign and helped fund the state's first Early Childhood Leadership Conference. The conference provided leadership development for the child care community by focusing on public speaking and advocacy skills needed to promote policy change.

Nevada established the State Child Care Steering Committee to address child care assistance and quality assurance issues. The committee has 20 members representing groups throughout the state, including: the child care licensing agency, the University of Nevada at Reno, Western Nevada Community College, the Bureau of Family Health Services, the Department of Employment Training and Rehabilitation, the Department of Education, child care subsidy contractors, the Welfare Division, the before- and after-school care community, consumers, a school district, Nevada AEYC,

the School Before Six coalition, Child Care 2000, Head Start, the Tribal community, the State Child Care Administration, and the Department of Human Resources.

New Hampshire held the two-day Future Search Conference, which led to the creation of a five-year child care plan. In addition, the State Child Care Advisory Council was reorganized. New legislation repealed the provision that gave authority to the Department of Health and Human Services (DHHS) to head the council. The committee can now elect its own chairperson and can ask DHHS for reports.

New Jersey established Human Services Advisory Counsels (HSAC) in each county to provide advice and recommendations to the state on planning, coordinating, and funding the county's human services. The state has requested each HSAC, in conjunction with Workforce Investment Boards (WIBs) and their Welfare-to-Work Committees, to complete a comprehensive planning process to identify the existing child care needs of low-income working families and families participating in Work First New Jersey and to project the need for child care as a support in obtaining and sustaining employment from the present to the year 2005. The HSACs are also charged to develop strategies for meeting the identified child care needs.

New Mexico's legislature responded to recommendations from the advocacy community by establishing a task force to develop a research-based strategic state plan for early child care and education.

Oklahoma is benefiting from the United Way's Success by Six initiative, receiving five community-level grants and a statewide planning grant.

Oregon passed the Comprehensive Investment Policy for Youth and Families in Oregon Act. The bill has five primary policy elements, including: a defined role for the state and local commissions on children and families in coordinating and facilitating the development of a comprehensive plan for children from birth to age 18 and their families; an initiative to reduce juvenile crime through coordinated state/local strategies targeted at high-risk youth; the development of an early childhood system of supports; improvements in the efficacy and appropriateness of alcohol and other drug prevention and treatment services for youth and families; and a consistent evaluation framework based on the Oregon Benchmarks. For developing the early childhood system plan, each county must convene a broad-based early childhood group, including representatives from the child care community, Head Start, health care, education, and other programs serving children and families, to propose a comprehensive plan for children from prenatal to age eight. The legislation seeks to align the Healthy Start funding stream (which supports home visiting) with the comprehensive planning process. Funding for the initiative is tied to a $7 million increase for the Healthy Start program. Counties must identify the need for Healthy Start in their comprehensive planning. However, if a group's plan defines another service such as child care as its top priority, the legislation includes a provision that would allow funds to be used for other priority services as long as there is a home visiting component included. The legislation also allocates $7 million for early childhood systems through the Oregon Commission on Children and Families (OCCF). An additional $5.2 million for specific early childhood programs was included in the OCCF budget as well.

Rhode Island formed an advisory committee to guide implementation of the Starting RIght comprehensive child care legislation. Over 150 child care advocates, providers, community leaders, and state agency staff participated in the implementation committee. Four subcommittees were formed based on the components of the legislation. In June 1999, the subcommittees presented recommendations to members of the Children's Cabinet. The final recommendations are being compiled into a report, workplan, and timeline to monitor implementation by the Department of Human Services.

South Carolina approved the First Steps to School Readiness legislation in June 1999. The legislation established a comprehensive, results-oriented initiative for improving early childhood development. Through county partnerships, it provides public and private funds and support for high quality early childhood development and education. The goals for First Steps to School Readiness are to provide parents with access to the support they might seek and want to strengthen their families and promote the optimal development of their preschool-age children; increase comprehensive services so children have reduced risk for major physical, developmental or learning problems and a greater chance of success in school; promote high quality preschool programs that provide an environment that will nurture healthy growth and development; and mobilize communities to enhance supports for families and their young children.

Through First Steps to School Readiness, local counties will have the opportunity to develop a comprehensive assessment of their needs and resources, along with a collaborative plan suited to their specific county. The state legislation for First Steps to School Readiness specifies a number of components to improve the quality of child care in South Carolina. A key component is that child care facilities receiving First Steps grants must first use a portion of their funds to achieve licensed status and then to achieve the equivalent status to that of an enhanced ABC provider. Other components include activities and services that focus on staff training and professional development incentives, quality cognitive learning programs, voluntary accreditation standards, accessibility to quality child care and development resources, and affordability of care.

Vermont's Community Partnership established early childhood groups to focus on local planning efforts.

Washington's Head Start/State Collaboration project funded two groundbreaking think tanks. The first was a research roundtable bringing researchers, practitioners, and policymakers together to review data and set planning priorities. The second involved child care partnerships from six different regions in the state as well as a state team in developing strategies for coordination. Each team included a representative of the state welfare office, the state child care licensor, the resource and referral director, a representative of the Head Start/ECEAP (state prekindergarten) program, and child care provider groups.

PROMOTING BUSINESS INVOLVEMENT

Given the importance of good child care to improving worker productivity, it is surprising that employers do not widely invest in child care. While parents pay for 60 percent of the cost of child care and the government covers 39 percent, employers only cover one percent of the costs.[20] The Family and Work Institute's 1997 *National Study of the Changing Workforce* found that only a minority of employees have access to benefits such as information and referral for child care (20 percent), child care services (11 percent), or assistance (13 percent).

In 1999, states continued to make efforts to increase employers' awareness of their role in helping their families and communities with child care. In **Florida**, advocates took an innovative step in 1999 by forming a partnership with the business community that included a project that commits 40 of the state's most prominent business lobbyists to spend one hour a week talking to state legislators about child care issues.

New State Action 1999: State-by-State Details

Arkansas set aside $200,000 to create the Arkansas Corporate Champions for Children, a public/private initiative.

Delaware formed a partnership of more than 50 state agency representatives and private sector individuals, including business representatives. It contracted with the Yale Bush Center to help the state implement a version of the *Not by Chance* report, which provides a blueprint for developing a strong statewide system of early care and education. A broad-based steering committee is meeting regularly to guide the planning and implementation of this project. The initiative is administered by the Department for

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Services for Children, Youth and Their Families, and is funded by the CCDBG, and a small amount of private funds previously donated to the Delaware Early Care and Education Consortium for community planning and collaboration efforts.

The District of Columbia implemented a new initiative, Child Care Works. The purpose is to make grant and loans available to expand the supply of family child care and center-based care. Seven banks, two community development corporations, and child care resource and referral agencies are partners in the implementation. In addition, the Office of Early Childhood Development and the Mayor's Advisory Committee on Early Childhood Development formed a collaborative partnership with the District of Columbia Chamber of Commerce and convened a breakfast forum on child care which hosted 100 business representatives from small and large local companies. The District of Columbia Early Childhood Collaborative conducted a survey of randomly selected business members of the District of Columbia Chamber of Commerce to examine business and child care issues in the city and produced a final report based on survey results.

Florida advocates from the Florida Children's Forum and the Child Care Action Campaign organized a child care symposium in 1996 and invited lobbyists from corporations within key industries, legislators, and other child care advocates. They encouraged participants to support the Partnership Act, a dollar-for-dollar matching program designed to expand child care for low-income working families. The Act passed as part of a broader welfare reform measure in 1997. It is currently financed by $10 million from the state and $10 million in matching funds from the private sector. Thirty-five businesses participate by providing subsidies for their own employees or by making charitable donations to a purchasing pool that pays for subsidies for low-income families in the community. The partnership is managed by the Child Care Executive Partnership Board, which is headed by the Governor's Office and consists of nine executives from the private sector and members of the child care community. An outgrowth of the Board, the Hour-a-Week for Kids Project, is headed by Joe Chapman, CEO of People's First Bank. Working with the Florida Children's Forum, the project commits 40 of the state's most prominent business lobbyists to spend one hour a week talking to state legislators about child care issues. In 1998, the Partnership supported a $74 million increase in funds for child care subsidies. In 1999, business leaders worked intensively with state legislative leaders for the successful passage of the Gold Seal bill.

Georgia's Governor launched a major public/private partnership, the Georgia Early Learning Initiative (GELI), to examine and implement strategies for improving child care and early education. The joint effort includes the state, United Way, and the Joseph B. Whitehead Foundation. In addition, the Anderson Consulting Group has donated pro-bono staff to help analyze issues and the King and Spalding Law Firm will help draft any recommendations into proposed legislation. The GELI consulted with child care stakeholders and held forums around the state. A preliminary plan includes proposed funding for T.E.A.C.H., tiered reimbursement rates, and health benefits for child care workers tied to accreditation. In 1999, the legislature also passed a bill (HB 610) that provides

increased income tax credits to employers who construct and/or operate on-site child care facilities.

Indiana is providing $500,000 ($1 million over the biennium) to strengthen the business liaison role in local communities to encourage the private sector to take leadership on child care issues and invest in quality child care for their employees. This initiative is a follow-up to the Symposium on Child Care Financing. The investment will be administered through the Indiana Association of Child Care Resource and Referral. The Indiana Child Care Fund and the Cinergy Corporate Mentor Initiative, together with Purdue University Center for Families, will be offering "Work/Family 101" to all resource and referral agency personnel. The Indiana Child Care Fund and the Indiana Department of Commerce are initiating the Employer Designation/Recognition program to raise awareness of employers offering work/family programs, including child care supports. During the past three years, the number of corporate-based and corporate-supported facilities has increased from five to 17. In addition, approximately 15 university-based and 13 hospital-based child care facilities are now available to meet the child care needs of students and health care staff. In partnership with SCORE, the state is also organizing "Child Care Business Mentor" workshops to teach family child care providers the business aspects of running a child care home. Indiana had a 40 percent turnover rate in family child care last year, confirming the state's belief that training on the business side of child care must be included in licensing orientations.

Kansas brought together business, community, and child care leaders through a series of business/industry meetings hosted across the state by the Social and Rehabilitation Services and Extension Services, the U.S. Department of Labor Women's Bureau, and the statewide resource and referral network. The first half of the meeting presented employers with reasons and methods to support child care in their communities. The second half of the meeting was a train-the-trainer model to assist community leaders and child care advocates in developing methods for encouraging business leaders to provide child care resources. An employer handbook was developed and distributed.

Maine will double the employer tax credit for businesses that create an accredited child care program for employees or financial institutions investing in "quality" child care projects. In addition, the state will allow businesses receiving state tax breaks to use tax savings to invest in child care. The state will also convene the Business Advisory Commission on Quality Child Care, which will review the need for additional legislation to assist the business community to invest in child care.

Maryland's Governor established the Maryland Business Partnership to advise the Department of Human Resources on strategies and resources for increasing the availability of child care for low-income working families.

Massachusetts began to receive payments from the license plate fund that was organized by the United Way and the business community. The funds were used to award child care grants.

Minnesota transferred $20,000 from the TANF block grant to the CCDBG to provide assistance to employers establishing pretax accounts for their employees. Assistance may include technical assistance, workshops for employers or employees on

the advantages of pretax accounts, and other types of promotional material or assistance. The state also provided CCDBG funds to the Minnesota Child Care Resource and Referral Network office to increase business involvement in child care through an employer services coordination position. The state and the network are planning the Business Child Care Symposium to raise employer awareness of child care issues and to engage them in developing strategies to address these issues.

Mississippi seeks to encourage community commitment to meeting child care needs through the Child Care Partnership Program. Corporations, industries, consortiums, foundations, churches, local or county governments, and community-based organizations match a CCDBG subgrant dollar-for-dollar. The subgrant can be used to fund slots, equipment and supplies for a licensed center, or slots in a specified number of programs.

Montana funded the Montana Child Care Resource and Referral Network to expand efforts to increase business involvement. The state also created linkages to the AFL-CIO and Chamber of Commerce and is planning the Early Childhood Future Search to engage the business community.

Nebraska created the Business Council on Child Care Financing through an executive order by the Governor. The Business Council is modeled after a similar Colorado council and has made specific recommendations for improving the involvement of employers in meeting employee child care needs.

Nevada worked with advocates and the Women's Bureau at the U.S. Department of Labor on the Business-to-Business Mentoring Initiative for Child Care.

New Hampshire's Governor appointed a Business Commission on Child Care, which issued a report on child care. The Commission recommended establishing a permanent organization, the Governor's Business Partners for Child Care, which will be supported with funding from Providian Bank. It also encouraged the adoption of family-friendly work policies and policies to educate parents about quality child care, strengthen finances for child care through business training and private funding, and increase the number of licensed child care providers. The Governor has convened a series of roundtables in different areas of the state to promote the Commission's recommendations. In addition, Providian Bank issued its own report on child care.

New Jersey allocated $1 million to create the Bright Beginnings Child Care Facilities Loan Fund, an initiative administered by the Department of Human Services in collaboration with the Economic Development Authority for Small Business, Minority and Women's Enterprises. Applicants may apply for $15,000 to $75,000 or 30 percent of the total project cost, whichever is less. An outgrowth of this project is Building Stronger Centers, a program established by the New Jersey Community Loan Fund, the Association for Children of New Jersey, and Child Care Connections, Inc. Through an intensive series of workshops, Building Stronger Centers provides financial management technical assistance to agencies interested in expanding or establishing child care facilities through debt refinancing. The state also allocated $300,000 to establish the Small-Medium Business Child Care Consortium Incentive Demonstration Program. Loans will be awarded to establish three child care centers at or near small- and medium-

sized businesses to provide quality child care to children of their employees. In addition, the state has allocated funds as matching dollars for the NJ Accreditation Facilitation Project. Established under the auspices of the NJ Professional Development Center for Early Care and Education, the project will seek to obtain NAEYC accreditation status for 130 licensed child care centers over a two-year period at a cost of $1.5 million. This project will be funded through a public/private partnership.

New York held a series of roundtables across the state that were co-sponsored by the Office of Children and Family Services, the Rockefeller Institute, the Business Council, and local chambers of commerce. The purpose of these forums was to highlight opportunities for public/private partnerships to expand the availability of quality child care and to develop recommendations for state policy and program directions. The reports from these sessions have recently been released.

Oklahoma utilized the expertise of the Families and Work Institute to convene two meetings of business leaders, one a dinner with presentations by national experts and the other a working session with a state perspective.

Oregon created the Child Care Financing Task Force directed by the Commission for Child Care to review the use of child care tax credits, the types of tax credits that should be promoted legislatively, and how employers could be educated on the current tax credits.

Utah created the Child Care Business Commission to review current methods and recommend new strategies for financing child care. The state also organized the Employer Work Life Forum and gave awards to "Utah's Most Family-Friendly Companies."

Washington allocated $1 million in TANF block grant funds for the Child Care Microloan Project. The project is a partnership among local lending institutions, resource and referral agencies, the state, and child care providers. The goal of the project is to provide loans of approximately $5,000 for family child care homes and up to $25,000 for child care centers to make quality improvements. At least 15 to 20 percent of the loans are designated for family child care homes, with the rest available to centers.

West Virginia allocated funds to support start-up grants of up to $10,000 for employer-sponsored child care centers.

ADMINISTRATION

Increased investments in child care and early education must be coupled with a simplified eligibility determination process to ensure that families can take advantage of child care assistance. Yet, in too many cases, families face roadblocks that well-structured and thoughtful administrative policies could eliminate. These include: confusing application forms; overworked and undertrained eligibility workers; requirements that families reapply for child care assistance each time their education or job status changes; the need to take a day off of work to apply or reapply for help in paying for child care; the need to fill out separate application forms and go to multiple locations to enroll in other programs serving children and families; and delayed payments that make providers reluctant to accept children receiving assistance, which in turn limits parent choice.

In 1999, a number of states took steps to consolidate administration of child care programs and other programs serving children and families. Several states also used new technology to make administration more efficient.

New State Action 1999: State-by-State Details

Alaska moved administration of all Head Start and child care programs, assistance, and licensing to the newly created Division of Early Development in the Department of Education and Early Development. The state is also piloting a system of prospective payments for three Alaskan communities. Evaluation of the pilot project began in September 1999.

Arizona legislation established the Arizona Works Program. Under this program, the state has entered into a contract with a private vendor, MAXIMUS, Inc., to administer the following programs in a specified portion of Maricopa County: TANF; State-Funded General Assistance; Food Stamp Employment and Training; TANF-related child care; and Transitional Child Care (TCC). Residents of the Arizona Works area who are TANF recipients and need child care assistance to participate in a TANF-related work activity or who need child care assistance and are eligible for TCC will have their eligibility for services determined by MAXIMUS. Upon determination of eligibility for these child care programs, MAXIMUS will calculate the appropriate level of child care benefits. MAXIMUS will then provide the state Department of Economic Security (DES) Child Care Administration with this information. The DES Child Care Administration maintains the responsibility for issuing certificates of authorizations and making provider payments corresponding with the MAXIMUS determinations of eligibility. Individuals who live in the Arizona Works area and who are in need of child care services other than TANF-related child care and who are not eligible for TCC will continue to have their eligibility for services determined by the DES Child Care Administration.

The District of Columbia implemented an automated system to handle intake, assignment, vendor administration, payment tracking, case management, and attendance as well as federal reporting.

Iowa implemented a new seamless system initiative. The Governor's office supported the initiative by recommending two years of spending to restructure the child care financial assistance programs. Transitional Child Care and the Child Care Disregard for welfare families will be eliminated. The new consolidated child care program will use one set of eligibility criteria, payment methodology and payment rates. Working families supported by the TANF block grant are automatically eligible during any hours they are working without regard to income.

Kansas is planning to transfer the Childhood Services Unit from the Economic and Employment Support Commission to the Children and Family Policy Division. It will be renamed the Child and Family Development Unit and will work in close conjunction with Adoption Support, Family Preservation, and Foster Care.

Louisiana transferred responsibility for the administration of child care, early education, and school-age programs from the Secretary's Office to the Office of Family Support.

Massachusetts passed the ACE legislation, which requires the Department of Transitional Assistance to provide families who are leaving welfare with written notification of available child care services that they are eligible to receive.

Michigan allocated additional funding for prekindergarten staffing.

Minnesota is requiring the Department of Children, Families and Learning to develop a plan for consolidating child care assistance programs by February 1, 2001.

Mississippi reorganized the management of the TANF Work Program, implementing a fax referral system between the county Department of Human Services offices and the child care designated agents to expedite child care assistance for TANF parents and get them started on their work or training component as quickly as possible.

Montana will add more full-time staff in the state office to help coordinate child care resource and referral, Best Beginnings program activities, quality initiatives, contracts, and monitoring.

Nebraska moved the Child Care Licensing Program from Health and Human Services to the HHS Regulation and Licensure, Credentialing Division. This move enabled the program to remain centrally supervised.

New Hampshire transferred the administration of all family support and community-based prevention programs to the Bureau of Child Development.

New Mexico implemented new rules that will expedite child care assistance for eligible TANF participants and clarify work exemption provisions for TANF participants who cannot find child care.

North Carolina now allows families to obtain Head Start wrap-around care at the same office from which they obtained child care (typically a county department of social services), rather than at the Head Start program. The General Assembly also passed a child care assistance fraud bill to make it illegal for providers or parents to fraudulently obtain child care assistance or services to which they are not entitled. The bill provides incentives for local child care assistance programs to strengthen their program integrity efforts by allowing them to keep a portion of the fraudulently obtained child care assistance funds that they recover.

Oklahoma awarded a contract for an electronic benefit transfer (EBT) system for the child care subsidy program that will be implemented in 2000. The state will continue to manage the program but will use a card swipe system to track time and attendance and make direct deposits into the facility's account. In addition, the state now requires all providers to attend training on the claims process prior to renewing their subsidy contract.

Rhode Island's Department of Human Services added the new position of Child Care Administrator to the Office of Child Care to enable the office to provide early care and education expertise, which will supplement the current staff's policy and systems expertise. The administrator has oversight of all child care programs and initiatives with particular responsibility for ensuring full implementation of Starting RIght and expediting the redesign of the child care authorization/payment system.

Texas gave local workforce development boards authority to decide how to spend their portion of the $50 million federal set-aside for infant and toddler care allocated to each workforce area.

Utah transferred child care assistance payments to an EBT Horizon Debit Card which child care centers can then use.

Washington began a statewide rollout of a new child care automated system, the Working Connections Automated Program (WCAP), which will make the child care assistance authorization process quicker and easier for field staff. WCAP also connects case management with payment, eliminating duplicate data entry.

Wisconsin completed a statewide automated child care subsidy system in 1999 that implements eligibility determinations, authorizations, payments, and notices for its single child care fund. The automated system allows for one-stop services for families applying for child care, Food Stamps,

Medical Assistance, and Wisconsin Works (W-2), the state's welfare reform program. The state also completed a data warehouse for child care data from the automated system which can quickly generate reports needed by policymakers. A new staff position was added to the Office of Child Care to help implement quality improvement initiatives. The Department of Workforce Development also began the hiring process for a staff position with primary responsibility to work with employers on child care issues.

West Virginia hired additional staff in the Child Care Division of the Department of Health and Human Resources, including a child care licensing supervisor, two staff persons to focus on abuse and neglect charges in child care, and one new licensing specialist. The state also posted positions for a division director, two child care specialists, and one contract specialist to support the continuing growth of the child care program.

ENDNOTES

1. Estimate based on the number of states utilizing market rate surveys conducted before January 1, 1998.

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3. R. Peth-Pierce. (1998). *NICHD Study of Early Child Care*. Washington, DC: National Institute of Child Health and Human Development.

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8. Alabama and Maine used tobacco settlement funds to increase their investments in child care.

9. L. Caspar. (September 1995). *What Does It Cost to Mind Our Preschoolers?* (Current Population Reports Household Economic Studies, P70-52). Washington, DC: Census Bureau, U.S. Department of Commerce.

10. Estimate based on the number of states utilizing market rate surveys conducted before January 1, 1998.

11. The "Abbott districts" are low-income districts that brought a school finance equity lawsuit against the state (*Abbott* v. *Burke*). As part of the settlement of the lawsuit, these districts are required to provide prekindergarten for all of their three- and four-year-olds.

12. The U.S. Department of Agriculture allows for-profit providers who have 25 percent of their children receiving public child care funds including Title XX to participate in the Child and Adult Care Food Program.

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16. Recommendations cited here are from the National Association for the Education of Young Children.

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18. Providers with a minimum of 65 hours of training within the preceding six years may be approved for the license if they complete the additional 25 hours of training within one year of the effective date of these rules (August 1, 2000).

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Advocacy

Working with State and Local Elected Officials: A Guide for Early Care and Education Advocates. Prepared by Helen Blank and Nicole Oxendine Poersch. CDF: 1996.

Also note that numerous child care factsheets and other child data are available on CDF's website at www.childrensdefense.org

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